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Peking and International Communist Unity	129	Aluminium Smelting Industry of Japan	139	Hongkong Government Reports (Radio, Wireless, Telephone, Postal Services, Shipping)	147
Free Formosa	131	Japanese Relations with Argentina	140	Finance & Commerce	
Economic Advance of Pakistan and Trade with Hongkong	131	Japan's Foreign Trade and Foreign Exchange	141	Hongkong Exchange Markets	151
Philippines		China		Hongkong Share Market	152
Philippine Progress in First 9 Months of 1956	133	Commandism among Minorities in China	143	Singapore Share Market	152
Japan		Hongkong		Hongkong and Far Eastern Trade Reports	153
Economic Letter from Tokyo	137	Trends in Hongkong Private Building Development	144	Hongkong Company Incorporations	155
Economic Reports from Japan ..	137	Hongkong Industrial Reports	146	Hongkong Trade for December and for the Year 1956	155

PEKING AND INTERNATIONAL COMMUNIST UNITY

The Chinese Prime Minister had little to gain save goodwill on his recent tour of Asia. But Peking hinted that his trip to Moscow might have "profound significance" for the whole Communist world. Certainly he visited the Kremlin this time in a very much better position than when he and Chairman Mao Tse-tung went as suppliants to Moscow to seek Stalin's aid early in 1950. Now Peking seems to regard Mao Tse-tung as "the most important Communist in the world" as well as the leader of the biggest Party. There was no advice to be offered in 1950 and very much to take; but though Peking will still need help for some years to come and is unlikely to get it from anybody but the Soviet Union, this time Chou En-lai was able—and willing—to offer advice not only to Moscow itself but also to the major satellites while asking for perhaps a little more than he would have dared to ask for before this turn in the wheel of destiny.

The more fervent Marxists in the Party in Peking preen themselves on the 14,000 word document which proclaimed its views on the relations between Communist Parties and Governments. They contend that it will have an important place in the Communist camp and puts the Chinese ideologically, at any rate, on the same plane as the Russian leaders. Certainly they have kept their heads while the Soviet leaders, for so long deprived of the value and training of collective leadership, have taken counsel of panic. The Peking document was described as a complete analysis, and from the

Marxist standpoint a masterly summary of the present state of the Communist world. Some students of Communism in the Chinese capital regard it as the most concise and well-written document on such a comprehensive subject since the Communist Manifesto. That is going a bit too far. But it was nevertheless a remarkable document, though probably not one in a million among the Chinese will ever take the trouble to wade through it.

The editorial revealed that the Chinese remain orthodox Communists, that they are still solidly behind the Russians, and that they condemn Marshal Tito's recent statements on Hungary as likely to weaken the Communist front. It defined the "different roads to Socialism" as meaning that each country is applying Marxist dogma to suit its own specific conditions, but at the same time stressed the unchangeable central theme of Communism as exemplified by the experience of the Soviet Union.

Peking wants the best of both worlds—domestic independence and international Communist unity, and circumstances put it in an exceptionally favourable position to stand for both. But a tactical advantage is not necessarily a strategic advantage, though it was as a practical exercise in political common-sense that it scored most heavily and despite all the clichés and jargon of Marxist dialectics. Mr. Chou En-lai went to Moscow and to Central Europe as one of the "Big Four" in the Chinese hierarchy which insists on the need of maintaining

the unity of the Communist bloc and opposes intemperate attack on Stalin as likely to promote disunity. Peking came to the aid of the worried and uncertain Kremlin leaders at a crucial moment and undoubtedly intended to press home that advantage, especially in further economic aid from the Kremlin—at a time when the satellites are gaining at least a measure of economic freedom and the whole programme of Communist aid may be affected by the needs of each country's own economy. The second five year plan in China has been scaled down, but heavy industry is still the core and no doubt Chou En-lai hoped for a chance to replace, with Russian generosity, some of the items deferred because of apprehension about the willingness of the people to make further heavy sacrifices.

No news has yet come through of any new economic or industrial aid, but the execution plan for 1957 for scientific and cultural co-operation covers a very wide field indeed, from scientific research and educational and medical organisations to film studios, publishing houses and other scientific and cultural spheres. This alone is worth many millions, since it is evident it obligates the Soviet Union to give China the benefit of all its know-how in these vital domains of modern existence. It may also include nuclear power.

Peking had to do some remarkable shuffling backward and forward in dealing with the Polish and Hungarian upheavals from the propaganda viewpoint. It was able, however, after the Soviet-Polish agreement in Moscow to express itself very clearly on the major point at issue. "An important international aspect of the Soviet-Polish talks," wrote the People's Daily in an important editorial on the agreement, "is the vivid example they provide of proper relations between Socialist countries. These have to conform to the principles of full equality, respect for territorial inviolability, respect for national independence and sovereignty, and non-interference in each other's domestic affairs. They must conform to the principles of solidarity and friendship, mutual aid and mutual benefit, and unity to help their economic progress and their opposition to imperialist aggression. But these principles once established do not preclude mistakes offending these principles, such as occurred in the past, recurring in the present or perhaps even in the future. The question, therefore, is how to deal with such errors, whether they can be corrected firmly and in time so as to check and eliminate their influence with relative ease. The Soviet-Polish talks prove that errors between Socialist countries can and must be rectified. There is no doubt that this fact will greatly strengthen the faith of the peoples in the Socialist countries and in the whole world in internationalism. In future relations between Socialist countries, if only the bigger nations pay more attention to avoiding the mistake of Great Nation Chauvinism (this is essential) and the smaller nations avoid the mistake of nationalism (this is equally essential) friendship and solidarity based on equality will undoubtedly become consolidated and will advance."

The article noted the agreement to the stationing of Soviet troops on Polish soil, on the ground that the Imperialist camp had "never ceased subversive activities against all the Socialist countries," and that the "revanchist forces" in West Germany had been rearmend. In these circumstances, it says, the stationing of Soviet troops within Poland is obviously of importance for the defence of Polish independence, for the security of its Western frontiers, its socialist construction and the peaceful life of the people, and for the peace of the whole of Europe. "No one with any judgment of the present situation will fail to recognise that so long as the aggressive NATO group and its military bases exist, military co-operation and joint measures between the Socialist countries to protect their collective

security cannot be dispensed with."

It says that the Soviet-Polish talks are "a great inspiration for the people of the two countries because they have laid a solid new foundation for friendly relations between them," and they would have "an excellent effect on the Hungarian people not only because the two nations have expressed a common understanding of the Hungarian situation, but also because the Hungarian people can see that Soviet policy towards the people's democracies is "truly one of equality, friendship, and mutual assistance, not conquest, aggression and plunder, and that the outpouring of the Imperialist propaganda machine is nothing but lies and slander."

The Hungarian people, having been through the worst ordeal of any people since the end of the war, will believe nothing of the sort, of course. And though Peking may talk in these dignified if not pompous tones, it will be noted that there is one law for Soviet troops in the capital of an Allied State, and another law for, say, the British or other non-Communist countries with immense international interests in the world's most busy international waterway. This is simply not good enough, and is more calculated than anything else to promote a vast international struggle between the two ideological worlds if such an illogical and untenable double standard is applied.

In Peking's eyes, it is altogether wrong for the Polish workers—and they were workers not Fascist hyenas, including the whole of the workers in the great steel plant—to demand the departure of Soviet troops, to resist them when they mow them down with tanks. In such a case proletarian internationalism had priority over "narrow nationalism." But in the case of the Suez Canal, the whole of whose revenues are derived from non-Egyptian shipping, this kind of nationalism is permitted, even sanctified. This is indeed a monstrous perversion of justice, typical though it may be of the very premises of the whole Communist creed which in the false name of the working class puts all the souls, the liberties and the properties of the nation under the unquestioned disposal of a small minority who arrogate to themselves the title of "the working class." This is one reason—there are others, including its sheer inability to fulfil its promises to the people and its failure to create anything like the Paradise of capitalist America or even half-and-half Britain—why the system is destined to go.

The attitude is less offensive when it is placed on the lower ground of sheer expediency, as it is in the penultimate paragraph of this astonishing article. "All the Socialist countries and all socialists in the world are ploughing the same furrow. We are all battling through difficulties to reach a common goal. In face of the enemy, we have no alternative but to build sincere unity between our socialist ranks, between countries and parties, and within each country and each party, so that we can reach our common great goal. Let us act in a way that contributes to unity, speak in the interests of unity, settle misunderstandings and differences by negotiation, taking the overall situation into account and deferring to the general interest. Let us not take rash or violent action that leaves no leeway and shows no regard for consequences, that impairs the unity of international socialism. Let us not stir up internal conflicts and divisions. Such is the policy that will be welcomed and win the hearts of the people."

"The Soviet-Polish talks show that many misunderstandings and differences between Marxists can, in fact, be eliminated or minimised on the basis of unity and through negotiation, with mutual understanding and mutual concessions and also through appropriate criticism and self-criticism. We hope that the Socialist forces of the world will continue to develop this atmosphere, will cherish unity, and will strengthen unity."

FREE FORMOSA

For many years now the Provisional Government of the Republic of Formosa, of which Mr. Thomas W. I. Liao has been elected president, and which is functioning in exile in Tokyo, has demanded that the United Nations take up the issue of Formosa (including the Pescadores) and that a plebiscite be held in Formosa on the question of independence. For political and strategic considerations the US has not been able to support the Free Formosan movement but sympathy with it has been growing among both the people in the US and in Japan as well as in other countries where information on the true situation in Formosa or Taiwan has spread.

The eight million Formosans, it has been claimed by all Formosans abroad, would demand independence and would reject any connection with China—nationalist or communist. A plebiscite, supervised by the UN, would, in the submission of the Formosan leaders, overwhelmingly decide in favour of independence.

The campaign waged by the Formosans overseas, due to limited funds, has not been proceeding well; also, the US is not, at present, inclined to encourage the Provisional Government of the Republic of Formosa; the principal issue for the US and all other nations allied in one form or another with the US remains the defeat of the Soviet Russian quest for world domination. The Peking regime is being regarded as hostile and, as has become evident in recent weeks, a most loyal and obedient ally of the USSR. Therefore the US, and its allies, cannot well afford to weaken the Nationalist Chinese regime, with its base on Formosa. On the contrary, it is considered necessary to aid the regime of Chiang Kai-shek and to enable it to oppose the threat of communist China.

The claim of Free Formosa is a just one and everybody who knows the situation in Formosa will agree that independence should and must eventually be accorded to the people of Formosa. It is likely that a reestablished Nationalist government in China would not object to the grant of independence to Formosa if the majority of the people living on that island demanded it. However in case of the Peking regime taking over political control in Formosa—a most improbable event in view of the strength and determination of the US who protect the whole Far East from communist Chinese aggression—the prospects for independence for Formosa would be the same as today are the prospects of the subjugated nations in Eastern Europe.

It would seem therefore more prudent for the Free Formosa movement and the Provisional Government, now in exile in Tokyo, to cooperate with the Nationalist Chinese

regime on condition that an agreement be arrived at and properly signed by the two governments in question, stipulating the holding of a plebiscite in future under UN supervision and that if the majority of the Formosans demanded independence at such a plebiscite no opposition by the Kuomintang be allowed.

The real danger to the Formosans is the "Great Hanism," a Peking term for Han-Chinese chauvinism and its policy of aggrandisement and subjection of other peoples to its rule and exploitation. This "Great Hanism" was a feature of Kuomintang policies though not generally supported by Nationalist Party members; but the evil instincts of some groups of racialists in China were aroused by this aggressive policy. In the early years of Chinese occupation of Formosa, the "Great Hanism" already showed its fangs and the people of Formosa suffered very much under the tyranny of the authorities imposed on the Formosans by the then Nanking government of China.

The Provisional Government of the Republic of Formosa is always on the alert about political machinations between Peking and certain appeasing factions in Taipei. When Chou En-lai recently intimated that Peking could come to terms with Taipei and when it was rumoured that Chiang Ching-kuo, with or without permission from his father, had sent emissaries to Peking to sound out the real intentions of Mao Tse-tung's inner circle of advisers, the Free Formosan movement was greatly agitated, assuming already that there was a scheme brewing about enslavement of the Formosans. However, Chou En-lai only let another of his many balloons d'essai fly and there was no serious interest shown in any quarters of Taipei. In Tokyo, generally, one attaches too great an importance to rumours from China or Formosa, and it is no wonder that the Formosan Government there is paying undue attention to such rumours.

No change in the Peking-Taipei position can be visualised for some time to come. Peking will refrain from taking any military steps as by doing so it would invite retaliation which could bring about the collapse of the communist rule in China. On the other hand, Taipei cannot launch any war against the Peking regime as for such an undertaking it would require US permission and support, and that is most unlikely under present conditions. The tension in the Far East, as far as the unfinished war between the Communists and Nationalists is concerned, will continue indefinitely and thus the question of Formosan independence—which is morally supported by an increasing number of people the world over—will have to be held in abeyance.

ECONOMIC ADVANCE OF PAKISTAN AND TRADE WITH HONGKONG

Carved out of the sub-continent of India in two land masses separated by over one thousand miles of foreign territory, Pakistan has a very wide disparity of geographical conditions. It has a total area of 364,737 square miles. The eastern zone has only 16 per cent of the total area but 56 per cent of the total population of the country, while the western zone has 84 per cent of the area but only 44 per cent of the population. The average density of

population in East Pakistan is 777 per square mile, though in some parts it rises to over 1,800 per square mile, making it one of the most densely populated areas in the world. West Pakistan has an average density of 109 persons per square mile.

Pakistan's entry into the world as a new nation in 1947 had its period of intense travail and anxious problems. There was no capital, no industries and no technicians readily

available. Besides, the State was at the very outset faced with the colossal problem of the mass movement—greatest in the known history of mankind—of Muslim refugees into Pakistan from the neighbouring State of India. This flow of refugees still continues and so far about 8.5 million of those destitutes have found shelter and started life afresh in Pakistan.

The stage of anxiety is, however, a story of the past now. The heavy burden of the handicaps has been shed. The dust of uncertainty and trepidations has settled down. A new edifice is rising on the shoulders of its people from the debris of the holocaust following Partition.

Nine years have proved beyond doubt the inherent strength of Pakistan and the determination of its people to rebuild a disrupted economy. The country has progressed in all sphere of constructive human activities calculated to ensure the security and prosperity of its people and nowhere are these achievements more pronounced than in the field of industrial development.

The agrarian character of the economy is underlined by the fact that agriculture accounts for 60 per cent of the total national income in the six years covered. Trade is next in importance accounting for 10 per cent of the national income. This is followed by services, manufacturing and rental incomes which account for roughly 8.6, 7 and 6 per cent respectively. Income arising from the government sector has shown a progressive rise from 4.8 per cent of the total in 1949-50 to 5.5 per cent in 1954-55. This is partly explained by increased developmental activity in the public sector. Substantial increases in incomes originating from manufacturing, banking and insurance reflect a structural change which is taking place in the economy transforming it from a purely agricultural to a semi-industrial economy. The economy is predominantly rural in character. This is shown by the distribution of population between towns and villages. Not more than 10 per cent of the total population resides in urban areas. This percentage is as low as 4 per cent in East Pakistan.

More than 434,000 acres, that is over 85 per cent of the cultivated land, are used for growing food crops. However, on account of low yields per acre, self-sufficiency is reached only in normal years. There may be a surplus for export in good years and a deficit in bad years. About 48 per cent of the total cultivated area is used for growing rice and 21 per cent for wheat.

Of the non-food crops, jute and cotton occupy less than 10 per cent of the total acreage under cultivation. Nevertheless, they account for about 80 per cent of the foreign exchange earnings of the country and contribute substantially to government revenues in the form of export duties on jute and cotton.

With this heavy dependence on two fibre crops, any changes in the conditions of their marketability have far-reaching repercussions on the balance of payments, the central budget and incomes originating in the agricultural sector. Thus adverse changes in terms of trade sharply affect not only real incomes but also the capacity to sustain the rate of economic growth under conditions of monetary stability.

* * * *

After Partition, Government realised that in this mechanised age industrial progress must form the basis of national prosperity and industrial development was, therefore, given the highest priority after defence as there can be no progress without security. Government also realised that in the absence of the pre-requisite of the heavy industry, such as coal, iron and oil, and in view of the difficulties in ensuring regular supplies of essential raw materials

and capital equipment from foreign markets, highly sensitive to the ever-recurring fluctuations in the political world, industries must be built up round the products of the soil.

The statement of industrial policy, issued by Government in 1948, defined its objective as an improvement in the standard of living of the people brought about by harnessing to the maximum extent possible the various treasures of the soil with which nature had endowed Pakistan. It also defined its accommodating attitude towards the foreign investor and promised relief in the form of tax concessions and protection to indigenous industry.

The industrial policy has been amplified from time to time for reasons of particular necessity to bring it in line with the progressive needs of Pakistan in relation to developments in foreign countries.

The end of 1955 saw the completion of the first phase of industrial development in Pakistan. The execution of the programme of development did not proceed according to schedule due to difficulties in procuring machinery and raw material, perplexities of international trade, scarcity of trained technical personnel and lack of industrial experience and enterprise. The chief impediment to the establishment of heavy industries and industrialisation in general on a large scale has been the lack of sufficient foreign exchange to buy the necessary equipment from abroad. These difficulties are being gradually overcome with the willing co-operation and assistance in a variety of ways from friendly nations.

In view, however, of the uncertain foreign exchange position, despite aid from abroad, the emphasis has had to shift from the establishment of new industries to the consolidation of those already established. Government have paused to look round and take stock of what has been achieved and to take steps to stabilise the developments that have already taken place.

The future industrial policy of Government in relation to the promotion of new industries is, therefore, based amongst others on two primary considerations:—

(a) whether the industry will earn foreign exchange more than it spends on the import of equipment, raw material and replacements; (b) whether the new industry will reduce imports and thus save foreign exchange.

While the domestic economy continued to show basic improvement during the course of 1954, the balance of payments position deteriorated considerably. On the one hand, the increasing consumption of indigenous raw materials by the local industry reduced the surplus available for export and on the other hand the increase in the imported raw-material requirements of industry and higher demand for capital goods and spare parts exerted persistent pressure on country's limited foreign exchange resources. The terms of trade, which showed a slight improvement during 1954, were still considerably below the level before the Korean boom. The Gold, Dollar and Sterling Reserves had, by the end of September 1954, been reduced to Rs 560.6 million, the lowest level on record. Meanwhile, however, the development effort made in the previous years continued to produce tangible results. Industrial production showed further rapid expansion and self-sufficiency was nearly attained in basic commodities such as coarse cloth. The increased availability of locally produced consumer goods had a salutary effect on the price situation. The general rising trend of prices was halted and declines were noted in some sectors. However, the need to raise internal productivity, to forge ahead with the talks of development and to improve the balance of payments position remained as urgent as ever.

During 1955, the devaluation of the rupee marked, so to speak, the completion of a phase in the transition of the country's economy from a wholly agricultural into a semi-

industrial one in the short span of a few years. By far the most welcome feature of the year was the sizeable surplus of Rs 285.7 million in the balance of payments which provided a refreshing contrast to the deficit of Rs 184.4 million in the preceding year. Although the balance of payment figures for 1955 in terms of the Pakistan rupee are not strictly comparable with those for 1954 due to the devaluation of the rupee in the course of 1955, the improvement in the balance of payments position is nevertheless unmistakable. Expressed in terms of the pound sterling, the year 1955 showed a balance of payments surplus of £24 million against a deficit of £20 million during 1954, resulting in a net improvement of £44 million in 1955 as compared with 1954.

Export of jute increased by Rs 218.7 million during 1955 to Rs 774.3 million in the previous year. Export of cotton also recorded a rise of Rs 61.6 million, to Rs. 431.4 million in the same period. The rise in export was shared by all the major commodities except tea in the last year.

Hongkong is Pakistan's second largest trading partner among the countries of the Far East. The total turnover of trade between Pakistan and Hongkong valued at Rs. 55.6 million in 1952-53, Rs 61.7 million in 1953-54, Rs 37.2 million in 1954-55 and Rs 58.2 million during the period from July 1955 to May 1956. The value of Pakistan's exports to Hongkong far outweighed the value of our imports throughout this period. The balance of trade has been heavily in favour of Pakistan during the years 1952-53 through 1955-56. The following table will indicate the balance of trade between Pakistan and Hongkong:

Value in thousands of Rupees			
Years	Pakistan's Exports to Hongkong	Pakistan's Imports from Hongkong	Balance
1952-53	48,409	7,177	+ 41,232
1953-54	54,994	6,586	+ 48,308
1954-55	36,642	542	+ 36,100
1955-56 (July '55-May 1956)	56,253	1,901	+ 54,352

The table shows that Pakistan's exports to Hongkong reached a record level in 1955-56 valuing Rs 56.3 million. This was mainly due to the fact that Hongkong emerged in recent months as the biggest customer of Pakistan's cotton-twist and yarn. Export of raw cotton from Pakistan has been steadily declining, so much so, that raw cotton which constitutes about 99 per cent of total exports to Hongkong in 1953-54 came down to about 55 per cent in 1955-56. This decline in Pakistan's exports of raw cotton has been more than offset by increasing exports of cotton twist and yarn.

Pakistan's main exports to Hongkong consist of raw cotton, cotton-twist and yarn and fish. Pakistan's imports from Hongkong have been steadily declining. Cotton textiles which constituted the major import of Pakistan from

Hongkong ceased to be imported due to the country's attainment of self-sufficiency in the production of this product.

There are good prospects for expanding Pakistan's exports to Hongkong. The following Pakistani products may find ready market in Hongkong.

Chemicals, cordage, and ropes, drugs and medicines, grains, pulse and flour, instruments, leather, jute manufactures, pickles and achars, tobacco, hardware, furskins, oil-seeds, pottery, plastic goods, fruits and vegetables, tea, wool-len and worsted yarns and sports goods.

Pakistan can, in return, import apparel, bobbins, drugs and medicines, dyeing and tanning substances, and porcelain.

The total value of Pakistan's exports to and imports from Hongkong during the years 1952-53 through 1955-56 is shown at the end of this article.

Earnings from exports, in terms of foreign exchange in the second half of 1955, were appreciably above the level of the corresponding period last year. Increased purchases of Jute by India have been an important factor responsible for the rise in earnings. It is very likely that the volume of raw jute exports which has remained almost stable in the last three years would show an appreciable rise during the current season. The movement of jute goods and miscellaneous exports also seems to have been favourably influenced by the devaluation. The outlook for the longer run is even more promising. With a further increase in the export of jute goods and in the production of raw cotton, the total foreign exchange earnings may increase substantially during the current year.

PAK-HONGKONG TRADE

Commodities				1955-56 (July, '55 to May '56)
	1952-53	1953-54	1954-55	
EXPORTS:				
Cotton	48,101	54,373	35,834	
Fish	205	238	43	
All other articles	103	583	765	
Total	48,409	54,994	36,642	56,253
IMPORTS:				
Hardware	298	19	13	
Instruments (Electrical goods) ..	462	207	50	
Matches	836	62	—	
Paper & Pasteboard ..	365	73	43	
Textiles:				
Cotton twist & yarns	3,741	5,793	11	
Artificial silk piece-goods	195	1	—	
Iron, steel & manufactures	65	55	44	
All other articles ..	1,215	476	381	
Total	7,177	6,686	542	1,901
Grand Total	55,586	61,680	37,184	58,154

Note: Years relate to July/June.

PHILIPPINE PROGRESS IN FIRST NINE MONTHS OF 1956

Liberal monetary support continued to sustain the expansionary factors that gained prominence since the second half of 1955. This monetary support gave added impetus to the attainment of higher levels of economic activity in the first nine months of 1956. Substantial advances made in the internal sector (enhanced domestic production, greater domestic savings, increased business activity, and a more liquid position in the financial status of the government)

proved to be stabilizing factors which mitigated pressures for upward price movements arising from world developments and domestic fiscal and monetary trends. In the face of a rapidly money supply which increased by 17.3 per cent in a year's period to a record level of P1,448.0 million on September 30, 1956, the increasing output of the productive sectors of the economy held down price advances in the consumer price and retail food price indexes to 3 per cent and 4 per

cent, respectively, over the corresponding period in 1955. The general wholesale price index also rose by 3.4 per cent over the comparable period last year.

Creeping inflationary pressures, however, accompanied the growth of the economy. Prices have steadily gone up since the start of the second quarter and bear careful watching. Money supply expansion showed an increase of 8.4 per cent over the P1,336.2 million level at the end of last year. Internal and external factors combined to push up money supply by P111.8 million. Favorable foreign transactions accounted for P70.4 million of the total increment. The internal sector contributed P41.4 million which arose out of the continued support of government securities by the banking system together with the expanded loan operations of commercial banks. The growth in public debt further intensified the expansionary trend. The nine-month rise of P208.62 million reflected the heavy development expenditures to finance high-priority projects.

Lending further support to the expansionary movement are the credit policies geared to meet the requirements of economic development. Total domestic credits held by the banking system aggregated P2,013.4 million, an increase of 14.8 per cent over the total obtaining at the end of 1955. The decrease in the Central Bank portfolio by P31.2 million was more than counterbalanced by the P205.9 million expansion in security investments by the commercial banks during the period under review. Credit operations of the banking system showed marked increases. Central Bank credit operations by way of discounts and outright loans amounted to P350.6 million, an expansion of P208.3 million over the corresponding period of the preceding year. The increased borrowing from the Central Bank by banking institutions resulted in a further expansion of outstanding loans, discounts and overdrafts to private business, the amount reaching P136.8 million. Further support in the credit operations was extended by selected financial institutions. Loans granted by the institutions during the period amounted to P194.8 million, thus bringing the total outstanding to P618.6 million at the end of September of the current year. The bulk of the loans was absorbed by agriculture and real estate. However, industrial loans shared in 13.8 per cent of the amount granted as compared to 8.6 per cent a year ago.

Careful budgeting of foreign exchange resources reduced the imports of non-essentials. With rising world demand for major export products, particularly abaca, logs and lumber, and base metals, the foreign exchange position of the country continually improved except for slight weakenings during the months of February and August. In contrast to last year, therefore, there was an excess of foreign exchange receipts over disbursements during the first nine months of the year amounting to \$31.52 million. The end of September 1956 found the international reserve at \$237.65 million, \$28.44 million above the trough in December 1955 although \$8.17 million lower than the corresponding period a year ago. Bigger export shipments for the first eight months of the current year stemmed from the substantial rise in the volume as well as the prices of some major exports. Increases in export prices by 1.3 per cent and in volume by 6.0 per cent brought export receipts to P592.5 million as against P552.5 million a year ago. On the other hand, tighter import controls succeeded in reducing further import arrivals, mainly non-essential consumer items, by P52.1 million to P670.5 million during this year. The rising price levels in the world markets contributed to the decline in the import quantum by 11.9 per cent. However, importation of capital goods and machinery did not suffer any reduction; it increased by 56.0 per cent and accounted for

22.7 per cent of total imports. Indicative of the increasing utilization of local raw materials is the decrease in raw material importation by 9.2 per cent from the level obtaining a year ago. The overall net influence of an improved reserve position was to cause a positive effect on money supply and add to the expansionary pressure.

Increases in employment, wages and earnings continued to sustain internal purchasing power and contribute to price increases. Brisk activity in construction, mining, and manufacturing carried the employment index to 116.5 for the first nine months of 1956, an additional of 4.6 per cent over the corresponding level of the preceding year. Big gainers were construction, mining and quarrying and the government sector due to expanded activities. Wage rates, both in real and monetary terms, were running ahead of their levels a year ago. Both skilled and unskilled laborers gained, particularly unskilled laborers whose improvement in real and monetary terms were 1.2 per cent and 1.6 per cent, respectively. Monthly earnings of wage earners and salaried employees averaged 2.1 per cent and 0.8 per cent better than the comparable figures of the previous year. More overtime work and salary increases sparked the upward movement.

The consolidated effects of monetary expansion, a faster tempo of economic development, more selective import regulation, and external developments were translated into higher price levels. Price levels exhibited increases along a broad front ranging from 3.0 per cent to 4.0 per cent. Retail and wholesale prices were considerably affected by the recent upward price trends in the world markets, intensified by the Suez Canal crisis. The new tariff rates under the Laurel-Langley Agreement helped the upward movement. Prices of domestic items were heavily influenced by speculative activities, seasonal influences, and the ill-effects of typhoons on crops, shipping and road transportation.

Price advances in retail and wholesale markets were concentrated mainly in imported items. Retail prices moved up by 13.0 per cent over those in 1955. Big increases in foodstuffs and textiles boosted the index to 146.1, 16.8 index points higher than the level a year ago. In the wholesale market, the index for imported items jumped by 9.5 per cent to 129.3. Nearly all commodity groups manifested increases: 29.6 per cent in beverages and tobacco; 11.1 per cent in manufactured goods; 9.1 per cent in machinery and transport equipment. Prices for export products rallied to levels attained the previous year and the series of price improvements during the period shows that the wholesale average will top last year's levels. Prices for locally-produced items rose by 1.8 per cent. Mark-ups in all major categories, particularly clothing and food, brought the index to 96.9 which compares favorably with prices obtaining for the same period last year.

Relative adjustment which characterized the movement of stock prices during the second quarter changed into a bearish and relatively depressed market during the third quarter. Sagging world prices for copper effected a steady decline among copper producing companies. However, the January-September average was still 59.3 per cent higher than the comparable level a year ago.

The identifiable gains built up by the domestic sector partially absorbed the upward price movements. Manufacturing production advanced by another 11.7 per cent during the first six months. Both durable and non-durable industries exhibited strength, their output increasing by 14.8 per cent and 9.9 per cent, respectively, when compared

with the same period last year. The steady supply of capital goods and raw materials, a stable level of demand sustained by a rising level of wages and earnings, and better distributive facilities accounted for the growth and helped accelerate industrialization. Textiles and manufactured food products among non-durable items advanced sharply. All industries in durable manufactures recorded heavy increases: furniture and fixtures jumped by 36.7 per cent; metal products (except machinery), 20.3 per cent.

The construction industry continued to show increases both in number of units and value of construction. Industrial construction shot up by a phenomenal 528.1 per cent to a value of P4.70 million for the January-September period. Electric power output spurted by 16.2 per cent which reflected the growing need of household users and industry. The transportation industry carried a greater number of passengers and transported a bigger volume of cargo. Net tonnage of departing ships edged up by 7.1 per cent. Gross sales for the first three quarters of 1956 were running 10.9 per cent higher than the corresponding period of the previous year. The substantial expansion in sales by all sectors brought the average over-all index for the nine-month period to 117.3. All these indicated increased business and industrial activity.

The expansionary flow of money supply was partly slowed by the continued rise in time and savings deposits and the improved cash balance of the National Government. A withdrawal from money supply was effected by the steady rise in time and savings deposits which amounted to P62.3 million for the three-quarter period of 1956. More important, this trend has been under way for some time, possibly indicating some amount of dishoarding which may have resulted from the demonetization of bills over and above P100. The enhanced cash position of the government represented money withdrawn from the hands of the public. The cash balance at the end of September stood at P318.89 million, an increase of P137.17 million over the level obtaining at the beginning of the year. Aggressive financing of development projects via bond issues and improvement in revenue collections accounted for the increase.

The emphasis placed on rural improvement enlarged the area of monetary flow and weakened the upward price effects of the marked increment in money supply. Nearly a quarter of the total government securities issued for the nine-month period which amounted to P321.20 million was concentrated on the rural areas with the object of raising farm income, boosting farm productivity, and improving health conditions.

Closer adherence to the system of periodic allocation resulted in greater control over fiscal disbursements. The creation of a Technical Committee on Fiscal Policy to scrutinize closely development financing has imparted fiscal stability to the finances of the government. The proposed Executive Order embodying procedures for programming development finances, issues of government securities, and disbursements of proceeds, makes for effective formulation of monetary and fiscal policies adaptable to variations in economic conditions.

Bracing the economy against externally-induced disturbing factors was a continued trade expansion not only with the traditional trading partners but also in commercial transactions with newly-developed markets. Expansion in total trade resulted from increased transactions with Northwestern Europe and Asia. Though North America continues to be the biggest trading partner, total trade with her dropped by 11.4 per cent. Philippine trade with the United States fell below 60 per cent of total Philippine trade for the first time since 1919. On the other hand, total trade

expansion with Northwestern Europe amounted to 42.3 per cent and with Asia to 13.5 per cent. Both imports and exports expanded. Imports from and exports to Northwestern Europe rose by 35.7 per cent and 47.5 per cent, respectively, and the balance continued favorable for the Philippines. Imports from and exports to Asia increased by 4.4 per cent and 26.8 per cent, respectively. The wider distribution of the country's export products serves as a valuable cushion against fluctuating demand in external markets.

EXTERNAL TRADE

Following normal trends, the external trade of the Philippines during the first eight months of the year was characterized by an import surplus of P78 million. This is 54 per cent below the P170 million trade deficit experienced in the corresponding period of 1955. Import arrivals amounting to P670.5 million exceeded export shipments of P592 million. Compared with the corresponding period the previous year, exports were higher by 7.2 per cent, while imports declined by the same magnitude.

FOREIGN TRADE OF THE PHILIPPINES

January-August, 1955 and 1956

(F.O.B. Value in Million Pesos)

Period	Imports		Exports		Balance of Trade	
	1956	1955	1956	1955	1956	1955
TOTAL	670.5	722.6	592.5	552.5	-78.0	-170.1
January	68.0	96.5	71.2	63.5	3.2	-33.0
February	70.0	82.2	64.1	69.2	-5.9	-13.0
March	82.8	89.2	81.1	64.0	-1.7	-25.2
April	81.6	90.0	84.6	78.3	3.0	-11.7
May	91.3	111.9	82.6	72.9	-8.7	-39.0
June	91.3	102.5	66.9	78.6	-24.4	-23.9
July	92.4	74.7	74.0	66.7	-18.4	-8.0
August	93.2	75.6	68.1	59.4	-25.1	-16.2

Export prices registered a mild increase of 1.3 per cent, while the volume rose by 6 per cent. Shipments of copra, abaca, logs and lumber, coconut oil, iron ore, chromite ore and copper concentrates registered appreciable increases from levels obtaining a year ago.

Import prices were comparatively higher this year due to world-wide inflationary tendencies. Stricter selective regulations imposed on the allocation of foreign exchange for imports, particularly on non-essential consumer items were in part responsible for an 11.9 per cent decline in the import quantum. Commodities affected included textile yarn, fabrics and made-up articles, cereals and cereal preparations, and base metals. On the other hand, to maintain the progress of the industrial and economic development program of the country, capital goods imports and raw materials were given priority. Importation of machinery other than electrical almost doubled that of last year. Base metal imports increased by 20 per cent, while transport equipment and dairy products rose by 4 per cent each.

The bulk of the country's external trade was transacted with North America, although substantial trade expansion was experienced this year with Northwestern Europe and Asia.

Imports

An improvement in the commodity pattern of imports was indicated by the greater proportion shared by essential producer goods (62 per cent) and decontrolled items (13.5 per cent) compared to last year's 49.4 per cent and 9.6 per cent, respectively. All other categories of imports declined.

IMPORTS BY CATEGORY AND CLASSIFICATION

 January-August, 1955 and 1956
 (F.O.B. value in thousand pesos)

Category & Classification	Jan.-Aug. 1956	Jan.-Aug. 1955
	Value	Value
TOTAL	670,542	722,646
Highly essential	4,170	8,940
Essential producer	415,695	357,275
Non-essential producer	88,900	152,670
Essential consumer	27,943	62,333
Non-essential consumer	24,833	48,820
Unclassified items	18,217	22,983
Decontrolled items	90,784	69,625
TOTAL	670,542	722,646
Capital goods	152,268	123,425
Raw Materials	366,320	403,381
Consumption goods	151,954	195,840

Capital goods accounted for 22.7 per cent of total imports indicating an increase of P28.8 million or 23 per cent over the comparable period a year ago. Imports of raw materials were 9.2 per cent less while consumption goods declined by 22.4 per cent this year.

The ten principal imports accounted for 73.7 per cent of total imports from January to August. This was higher than the 70.5 per cent of last year, although there was a decline of 3 per cent in value.

TEN PRINCIPAL IMPORTS OF THE PHILIPPINES

 January-August, 1955 and 1956
 (F.O.B. value in thousand pesos)

Commodity	1956	1955
TOTAL	670,542	722,646
Total Ten Principal Imports	494,097	509,353
1. Machinery other than electric	105,531	67,712
2. Textile yarn, fabrics & made-up articles	72,869	116,958
3. Mineral fuels, lubricants and related materials	71,519	72,992
4. Base metals	59,134	49,238
5. Transport equipment	40,367	38,513
6. Dairy products	38,543	36,944
7. Cereals & cereal preparations	35,265	45,477
8. Elec., mach., apparatus & appliances	25,832	31,981
9. Paper, paper board and manufactures	23,918	24,899
10. Manufactures of Metals	21,119	24,639

The relative positions of commodity groups changed this year. Imports of machinery increased by 56 per cent to lead the list of principal imports. It replaced textile yarn, fabrics and made-up articles which was relegated to the second place as a result of a decline of 38 per cent from last year's import level. Base metals increased by 20.1 per cent mainly in the form of corrugated G.I. sheets, tin and manufactures and steel wires, in spite of a 59 per cent decline in the import of steel bars and rods. Transport equipment also increased by 4.8 per cent while dairy products, most of which were decontrolled, rose by 4.3 per cent. Cereals and cereal preparations fell by 22.5 per cent consisting mainly of rice and flour. Electrical machinery was 19.2 per cent lower particularly generators and batteries. Manufactures of metal likewise declined by 14.3 per cent. Commodities affected were wire netting, hand tools, and metal hardware, although metal containers for commercial transport and storage increased by 16.4 per cent.

Exports

Shipments of the ten principal exports of the Philippines amounting to P517 million constituted 87.4 per cent of total domestic exports. In 1955, the same items accounted for 90.2 per cent. Their aggregate value this year, however, exceeded that of the corresponding period in 1955 by

4.7 per cent. Substantial increases were registered by copper concentrates, coconut oil, unmanufactured abaca, chromite ore, iron ore, copra and logs and lumber. Exports this year of sugar, desiccated coconut, and canned pineapple registered decreases.

TEN PRINCIPAL EXPORTS OF THE PHILIPPINES

January-August, 1955 and 1956

 (F.O.B. value in thousand pesos)
 (Quantity in thousand kilograms)

Commodity	Quantity		Value	
	1956	1955	1956	1955
TOTAL DOMESTIC EXPORTS			591,106	547,396
Total Ten Principal Exports			516,816	493,525
1. Copra	587,470	497,140	164,239	151,584
2. Sugar	651,922	728,214	144,841	168,437
3. Logs and lumber*	527,825	516,052	60,418	58,116
4. Abaca, unmanufactured	86,091	74,641	48,034	36,063
5. Coconut oil	67,186	45,750	30,425	21,087
6. Iron ore	991,910	897,412	16,129	14,413
7. Desiccated coconut	29,502	31,195	15,642	16,300
8. Chromite ore	399,770	369,628	14,157	11,697
9. Copper concentrates	34,469	17,106	13,491	5,548
10. Pineapple, canned	19,794	31,617	9,440	10,480

* Quantity in thousand bd. ft.

Copper concentrates were almost entirely exported to Japan. Their quantity more than doubled while their price increased by 18.2 per cent from the 8-month average in 1955.

The volume of coconut oil shipped increased to about one and a half times that of the previous period with the United States as the principal buyer. The unit price, however, was lower by 2.2 per cent this year than in 1955.

Philippine exports of copra were 18.2 per cent more than the quantity exported in 1955. The United States absorbed about one-third while other important buying countries like the Netherlands, Colombia, West Germany, and Sweden purchased approximately 50 per cent.

Abaca fiber enjoyed a strong market. Exports for the period increased by 15.3 per cent in volume and 33.2 per cent in value as compared to last year. This was largely due to the revival of the American rope and net industry, Japan's increased need of abaca for her paper making industry, and the shipbuilding boom presently obtaining in the United Kingdom and other European countries.

Direction

Although North America continued to be the biggest trading partner of the country, the expansion in total trade resulted primarily from increased transactions with Northwestern Europe and Asia. Trade with North America dropped by 11.4 per cent with imports from and exports to this region less by 15.4 per cent and 5.7 per cent, respectively. Imports from Northwestern Europe increased by 35.7 per cent and those from Asia by 4.4 per cent. Exports to Northwestern Europe were 47.5 per cent more than last year's and those shipped to Asia increased by 26.8 per cent. Total trade with Northwestern Europe expanded by 42.3 per cent, and with Asia by 13.5 per cent.

In terms of individual countries, the United States maintained her leadership in the external trade of the country. In spite of declines in exports to and imports from the United States by 15.8 per cent and 5.7 per cent, respectively, she absorbed 55.4 per cent of the total Philippine exports and in turn supplied 59.3 per cent of the country's total imports. This marks the first time since 1919 (excluding the occupation years) that Philippine trade with the United States has fallen below 60 per cent of total Philippine trade.

Japan rated second best with a total trade expansion of 20.4 per cent. Exports to Japan were 21.6 per cent

ECONOMIC LETTER FROM TOKYO

Agricultural Outlook

The agricultural production index for the current fiscal year ending March 1957 is expected to show a 6% dip (due mainly to lesser rice crop) as compared with the previous fiscal year. The agricultural product price index is also slated to dip from 2%-3% owing principally to the fall in prices of rice, wheat and sweet potatoes. In contrast, a slight 1% rise is envisaged in the price index on agricultural supplies reflecting mostly price rises on farm implements and building materials.

Consequently, the value of agricultural products is expected to total ¥1,393,000 million (\$3,869 m.), a drop of 8% when compared with the previous fiscal year. Moreover, total income from agricultural produce is estimated at ¥963,000 million (\$2,675 m.), a 12% dip from the previous fiscal year reflecting the anticipated rise in agricultural expenditures (fertilizer and feed). However, the disposable income per farm household is expected to drop only from 4%-5% influenced by the rise in subsidiary income (forestry income and wage income) reflecting the favorable business climate.

Farm household expenditures during the upper fiscal half went quite above the same period of the previous year aided by the marked income rise during the previous fiscal year. The lower half is expected to slightly top the same period of the previous year. Hence, the current fiscal year rise is estimated at around 4.8%.

higher while imports from it were 18.9 per cent more than in the corresponding period in 1955. The trade balance with Japan continued to be favorable. With the exception of North America, the Latin American countries, and the Middle East, the Philippines' trade with the rest of the regions of the world was carried at substantially higher levels compared with last year.

Actual farm consumption is seen to rise from 3%-4% above the previous fiscal year reflecting the slight 1%-2% rise in farm consumer prices.

Outlook for F.Y. '57-'58

Growth in gross national product during the next fiscal year ending March 1958 is expected to dull at about 6%, according to a provisional estimate by the Economic Planning Board. This compares with the 10% rise for the previous fiscal year and an estimated 10% rise for the current fiscal year ending March 1957.

This outlook for fiscal '57-'58 rests on the high but sidewise overseas business forecast on the basis of which estimated rises on the principal economic indicators were revised downward from the current fiscal year as follows:

- (a) Export rise—Down to 6.5% from the current fiscal year's 17%.
- (b) Industrial production—Down to 7% from 16%.
- (c) Agricultural production—Down by 1% (normal crop est.) from this fiscal year's.

The above outlook is subject to further revisions as the more recent economic trends as the Suez influences have not been taken fully into account.

Outlook on Principal Economic Indicators (Compared with prev. F.Y., %)

	1955-'56	1956-'57	1957-'58
Gross National Product.....	110.3	109.0	106.3
National Income by Distributive Shares...	111.0	110.3	106.0
Private Capital Formation	120.9	122.6	101.6
Personal Consumption Expenditures	106.9	110.6	107.0
Industrial Production	112.5	116.0	107.0
Agricultural Production	117.0	96.9	99.0
International Balance of Payments			
Receipts	120.0	114.5	104.9
Exports	130.8	117.4	106.5
Payments	117.7	133.5	103.2
Imports	110.7	134.9	103.4

ECONOMIC REPORTS FROM JAPAN

Economic Conditions during April-September, 1956

The economy of Japan continued to move forward at a high rate reflecting the favorable situation in overseas market during the half year ended September 30, 1956. Conspicuous progress was recorded in both output and business turnover, showing about 20 per cent above the level of the same period of last year, thanks not only to the continued export plateau but also to the brisk demands in the domestic business. In the industrial circles, there was a general upturn of sales and of earned profits—especially iron and steel, shipbuilding and coal mining have been enjoying the so-called "black trio boom." In other fields, marine transportation, non-ferrous metals, machinery, man-made fibers have further promoted the fair results, and the record of sales in department stores has been greatly increasing.

Under such circumstances, however, there is appearing one note-worthy uneasiness in the economic conditions which the boom may bring about. A detailed analysis of the recently expanding economic situation indicates undesirable signs in the basic elements of so-called "volumetric cycle

boom," which has been characterized by the favorable balance of international payments, relaxation in money market and price stability. In addition, bottlenecks in the key industries which are going to check economic progress have come to the fore lately, such as the shortage of iron and steel, electric power and transportation capacity. On the other hand, anxiety about over-production arises in certain categories of consumers' goods industries and the ill-balance between certain industries is attracting much attention. Moreover the latest upward tendency in overseas markets is believed to slow down its tempo, so the economic weather in Japan is not expected to be so fine in the future and optimism as to its prospect is not warranted unconditionally.

The financial situation during this period reveals that money market began to be tighter since June on account of the excess receipt of Ministry of Finance Account and rising level of demands for credit. The Foreign Exchange Fund Special Account showed, after a long interval, the excess receipt during the period from May to August, due chiefly to the increase of import. In addition, the tax col-

lection also went on satisfactorily, so the excess receipt of Ministry of Finance Account as a whole amounted to Y43.7 billion, contrary to the expectation at the beginning of this term.

In industrial circles the demands for long term credits and especially for operating funds became stronger due to the brisk activities and they have come to affect the basis of the money market.

Such features reflected upon the principal accounts of all banks, and total deposits continued to increase smoothly, making an addition of Y532.8 billion in this term. On the other hand, the increase in loans for the same period was Y462.2 billions, 4.5 times of that of the corresponding term of last year. Consequently, the Bank of Japan loans which reached the bottom of Y16.3 billion in May rose again to Y91.3 billion showing an increase of Y64 billion during the term. In addition, the Bank of Japan note issue showed an increase of Y24.8 billion for the term, the term-end aggregate reaching Y599.5 billion.

Reflecting this situation, the call money rate began to rise again since June, and the interest rates as well as bonds and debenture yields also moved upward from the slowdown theretofore. Then, the Bank of Japan put into effect a special high rate system in August as one of measures for tight money policy with a view to checking a rapid growth of bank loans which might possibly result in inflation.

Cellophane Production

The tremendous growth enjoyed by Japan's cellophane industry can be seen from the fact that production has risen from 275,956 reams in 1950 to an expected 1,080,000 reams by the end of this year based on the April-June production record. Although not so spectacular as the production figures, exports have also risen steadily. In 1950, 80,980 reams were sent abroad; in 1955, 138,920 reams were exported. More than 150,000 reams are expected to be sold on foreign markets this year. The increased production over the past six years is due to several factors. Among them are the constantly growing demand by domestic food-stuff and pharmaceutical industries and the increased demand from abroad. Since 1950, exports have been pushed vigorously with favorable results. Besides ordinary cellophane, a new moisture-proof product is now being manufactured, for which demand is especially heavy.

The following table shows the progress achieved in production during the 1950-55 period:

Year	Production	Ratio to Previous Year
1950	275,956	100
1951	383,562	139
1952	436,191	114
1953	607,166	139
1954	727,693	120
1955	724,735	100
1956	1,080,000	150

(Unit: Calculated on the basis of No. 300 ream)

Facilities are being expanded each year. It is especially conspicuous this year, reflecting the boom in demand. Productive capacity is being expanded to 1,500,000 reams.

Prior to 1950, production was infinitesimal and practically nothing was sold abroad. From 1950, the industry, benefitting from the Korean war, developed at a remarkable pace. The export program began to bear fruit especially from the beginning of 1951, as production increased. The rising tempo of exports subsided somewhat after that, but it is again on the rise this year as can be seen in the following table. Exports in 1956 are expected to reach about 156,600 reams.

Year	Exports	(Index (%))
1950	80,980	100
1951	116,453	143.6
1952	110,605	136.5
1953	118,127	145.8
1954	141,520	174.7
1955	138,920	171.6
1956	156,604	193.4

(Estimated)

(Unit: Calculated on the basis of No. 300 ream).

Principal countries to which cellophane is being exported are Hongkong, Indonesia and Communist China, among others. Sales to Hongkong account for 20 per cent of Japan's total exports.

Judging from the favorable market conditions both here and abroad, the outlook for cellophane is extremely favorable. Production is expected to continue its rise. There is a growing demand for the new moisture-proof cellophane which is of excellent quality. Domestic demand for cellophane in 1957 is expected to reach 1,160,000 reams, including both ordinary and moisture-proof types. Exports will probably hit 180,000 reams. Total demand will thus come to 1,340,000 reams.

Oyster Exports

Japan exports large quantities of seed oysters each year to the United States where they are cultivated on the West coast. Last year, for example, this country shipped close to 100,000 tubs and boxes of oysters that were produced in Miyagi Prefecture. Japan exported oysters to America for the first time in 1903 when Hiroshima-produced oysters were sent to a cultivation farm in Bellingham, Washington. The results were disappointing, however, as the oysters failed to survive. From December, 1907 to March, 1908 an aggregate of 52 bales of Hiroshima-produced oysters were shipped to the United States and transplanted in Paulsbo, Puget Sound, but these, too, were a failure. In 1904, Aramasa Miyagi and Jiro Tsukimoto, who were operating the Royal Fisheries Co. in Vancouver, felt that there was a great future in oyster cultivation in the U.S. They, thereupon, established an oyster farm in Samish Bay, Washington and imported oysters from Miyagi Prefecture. Before shipment, these oysters were transplanted to the Kanazawa Cultivation Farm of the Fishery Training Institute where they were raised to a size suitable for export. Every year from 200 to 2,000 boxes were shipped to the Samish farm. This was the beginning of the export of Miyagi-produced oysters to America.

Mr. Miyagi, who cultivated a large number of oysters on the West coast of the U.S., discovered that those produced in Miyagi Prefecture thrived best after transplantation. But since the temperature of the water is low during the summer egg-laying period and seed oysters cannot be gathered, it was felt that the transplantation of baby oysters was better. As a result of subsequent research on adhesive pendent equipment, the method of gathering oysters by utilizing shells which is now in wide use was devised in 1924. It brought about a major change in gathering seed oysters. From 1925, baby oysters were exported, and by 1928, it had become a full-fledged industry. As the export of seed oysters became industrialized, Japanese experts were dispatched to America to teach the technique of oyster raising. They endeavored to promote the interest of Americans in oyster cultivation and to develop new sales outlets. Exports continued to expand until 1930. The number of exporters also increased up to around 1931 when they saw much future in exporting seed oysters. Although exports reached the tremendous quantity of 70,000 boxes in 1933,

ALUMINIUM SMELTING INDUSTRY OF JAPAN

As Japan lacked raw material from which aluminium could be produced economically, the development of her aluminium smelting industry was greatly delayed compared with other countries. In 1934, however, the production of alumina from alunite was commenced, and in the following year large scale operations in this field were started through the conversion to the method of obtaining aluminium by the electrolysis of alumina produced from bauxite by the generally well known Bayer process, the bauxite being imported from Bintan Island, Indonesia. At that time, Japan's annual aluminium requirements amounted to approximately 10,000 tons, being entirely imported.

On the other hand, aluminium processing in this industry had begun operations back in 1897, the products thereof showing considerable development. Furthermore, Japan's cheap and abundant electricity, a large quantity of which is required in smelting aluminium, and the development of bauxite mines with rich and plentiful ores in Bintan Island and Malay Peninsula by Japanese engineers, gradually increased the volume of her aluminium production until a decade later, in 1944, she became the world's fourth aluminium producing country after the United States, Canada, and Germany, with an annual output of approximately 113,000 tons.

Meanwhile, studies to find ways to obtain alumina from domestic aluminous ores other than bauxite were promoted, resulting in the discovery of a method to make aluminium from alunite, aluminous shale and hard clay, particularly from aluminous shale, though they did not succeed in attaining the desired results from an economic viewpoint.

With the end of World War II in 1945, all aluminium factories in Japan suspended operations, but in the following year production was revived on a very small scale. Finally, in 1948, large scale operations were resumed again with the revival of bauxite imports from Bintan Island. Shortly after its establishment in Japan, the aluminium industry was greatly expanded to meet wartime needs, but during the prewar era it never reached the stage where it could develop a civilian market to any considerable degree.

After the war, however, it was started all over again as a completely peacetime industry, returning to its original mission of developing new peaceful applications and promoting exports.

In 1944, when the aluminium industry was at its peak, Japan produced approximately 7 per cent of the world's total

aluminium output, but in 1948 when she resumed production of this metal again it had dropped to only 0.5 per cent. Since then no spectacular increase in output has taken place, due to power shortage and other factors, but in 1950 and 1952 Japan produced approximately 25,000 tons and 43,000 tons respectively. Her aluminium output for 1952 was approximately 2 per cent of the world production of that metal for that year.

At present, 6 factories belonging to 3 companies are in operation in Japan, of which 2 factories produce alumina, 3 aluminium and 1 alumina-aluminium, which is only about a third of the 16 factories owned by 10 companies which were in operation during the war. The aforementioned alumina factories employ the Bayer process using bauxite, and the alumina production method from domestic ores used during the war is no longer in existence.

These factories employ electrolytic furnaces of approximately 40,000 Amp. capacity possessing Soderburg type electrodes, each of them having electrode plants. Following is a list of alumina and aluminium factories according to the companies to which they belong:

Alumina Factories:

Nippon Light Metal Co., Ltd.	
Shimizu Plant	Shimizu City
Showa Electro Chemical Industry Co., Ltd.	
Yokohama Plant	Yokohama City
Sumitomo Chemical Co., Ltd.	
Kikumoto Plant	Niihama City

Aluminium Factories:

Nippon Light Metal Co., Ltd.	
Kambara Plant	Kambara-cho, Shizuoka Pref.
Showa Electro Chemical Industry Co., Ltd.	
Omachi Plant	Omachi, Nagano Pref.
Showa Electro Chemical Industry Co., Ltd.	
Kitakata Plant	Kitakata-cho, Fukushima Pref.
Sumitomo Chemical Industries Co., Ltd.	
Kikumoto Plant	Niihama City

The total aluminium production in Japan in 1952 was 42,661 tons, of which 57 per cent was produced by the Nippon Light Metal Co., Ltd., 23 per cent Showa Electrochemical Industry Co., Ltd. and 20 per cent Sumitomo Chemical Industries Co., Ltd. In other words, approximately 60 per cent of Japan's total output of aluminium came from the Nippon Light Metal Co., Ltd. and the remaining 40 per cent was equally divided among the Showa Electrochemical Industry Co., Ltd. and Sumitomo Chemical Industries Co., Ltd.

The aluminium industry in Japan possessed at the time of the termination of hostilities facilities to smelt an annual capacity of 118,000 tons of aluminium, but, at the present, only the aforementioned three companies have the ability to continue operations.

The combined capacity of the foregoing three firms is estimated at 58,000 tons per annum, or only about 49 per cent of the maximum capacity of Japan's aluminium industry at the time the war ended.

In view of the supply-demand condition of aluminium and the current power shortage, a sudden increase in production cannot be expected, though it can be boosted somewhat by expanding the facilities of the three companies now operating. Furthermore, it is not impossible to contemplate a rise in production to surpass the prewar level as the industry itself possesses the potential capacity to do so.

As to the power situation, if the present power source development program proceeds well, an allocation of 2 bil-

Japanese producers lost heavily because prices fell due to fierce competition among themselves.

The indiscriminate imports into America of seed oysters, on the other hand, led to many abuses and made operations difficult for oyster growers as a whole. Various measures were thus taken to develop the business into a sound industry. As a result, Japanese exporters voluntarily imposed self-restraint measures among themselves in 1935 and organized the Japan Joint Sales Association for Seed Oyster Exports. Seed oysters were one of the first items to be exported after the war ended. In 1946, 57,000 boxes were sold abroad.

Exports in recent years are as follows:—

	Tube	Boxes	Total
1950	25,915	26,619	52,534
1951	23,771	60,033	83,804
1952	17,720	54,291	72,011
1953	11,124	55,834	66,958
1954	6,174	47,614	53,788
1955	14,821	84,971	99,792

JAPANESE RELATIONS WITH ARGENTINA

Relations between Japan and Argentina during the past 60 years were cordial. Formal relations were entered into in 1901 when the Treaty of Friendship and Navigation signed in Washington in 1898 was ratified. Japan sent its first minister to Buenos Aires in 1902 when the Japanese Legation was established there. Argentina opened a legation in Tokyo some time later in 1905. Diplomatic relations between the two nations were continued on a friendly basis since then, and as ties became closer, the legations were elevated to the status of embassy in 1940. Relations were suspended during World War II and the diplomatic offices in both countries were closed. With the ratification of the peace treaty in 1952, the embassies were reestablished. The Japanese Government appointed Toshitaka Okubo as the first postwar Ambassador to Buenos Aires while Argentina designated Carlos A. Quiros.

The friendly relations of the two countries in recent years are underlined by the following examples: In October, 1954, a mission led by the then Foreign Minister Katsuo Okazaki paid a friendship call on Argentina and held talks on ways of promoting economic ties between the two countries. About the same time, Mr. Tatsunosuke Takasaki, current Minister and Director-General of the Economic Planning Board, visited Argentina and investigated the possibility of dispatching Japanese mining experts to cooperate in the development of that country's industries. As a result, a coal resources survey team was sent to Argentina in March, 1955. It conducted a detailed survey of the state-managed coal mines in Patagonia Province and submitted a report to the Argentine authorities concerned. In January, 1954, Japan sent 500 cherry saplings to Argentina as a sign of the friendship between the peoples of the two countries. The saplings were planted in Palermo Park in Buenos Aires.

There are at present 13,000 Japanese residents—including Argentines of Japanese parentage—in Argentina. Japan-

lion kWh of power for aluminium production would easily be effected, and it is also believed that power supply required for the production of 100,000 tons of aluminium can be secured in the near future with the expected growth of surplus power supply. The price of aluminium metal produced in Japan is relatively high in comparison with that of Canada and the United States, due to the current supply-demand situation and Japan's international economic position. Through an increase in production and the rationalization of production methods, however, costs can be lowered and by obtaining raw materials cheaply, it will be able to participate in international competition.

In summary, various circumstances are favourable for the growth of Japan's aluminium industry, inasmuch as she is geographically situated to become the leading supplier of this metal for the Far East, and can hope to obtain the raw materials for this purpose from the rich bauxite mines of Bintan Island, Rio Islands, Malaya Peninsula and the Palao Islands.

Furthermore, it possesses a highly developed smelting technique, acquired through 20 years of intensive research under constantly expanding industrial conditions and can tap the abundant hydroelectric power resources in the country.

In view of the developments being made in this field and the huge supply of electric power to be made available, much hope is entertained for the future of Japan's aluminium smelting industry.

ese emigration to Argentina started in 1909, and the progress the emigrants have achieved in the last 30 years is worthy of note. The majority of the Japanese there live in Buenos Aires and its surrounding areas. They are engaged in the dyeing, laundry, tobacco, sales businesses and agriculture. Especially in flower cultivation, the Japanese are contributing to the Argentine industry with their technique. Immigration into Argentina of Japanese with close relatives there is progressing steadily and the outlook is bright also for general immigrants since this possibility is under consideration.

Recently, tie-ups have been effected in fishing and other industries between Japanese and Argentine firms such as that between the Taiyo Fisheries Co., Austral and Vitamar. The Nippon Keori Co. has purchased outright the Sud-America factory. These undertakings are expected to strengthen relations between the two countries in all industries.

The Japan-Argentine Cultural Society, disbanded during the war, has recently been reorganized in Buenos Aires and is sponsoring various events and lectures on cultural aspects of Japan. The Argentine people are showing great interest in these activities. In Japan, too, the Japan-Argentine Society, under the chairmanship of Iwataro Uchiyama, is contributing toward understanding and collaboration between the two countries.

Trade between Japan and Argentina is being conducted under the Trade and Payments Agreement concluded on April 30, 1953. A provisional arrangement reached in September last year, however, provides that all transactions after October 1, 1956 shall be carried out through pound settlements with the exception of those expressly permitted under the open account. Chief Argentine exports to Japan are cereals (wheat and corn), wool, quebracho extract, raw hide, casein, cotton, etc. Argentine imports from Japan consist principally of half-finished steel products, primary products, non-ferrous metals such as aluminium and copper, cotton thread, raw silk, celluloid, railway materials, truck chassis, power plants, motors and other machinery.

Trade Returns

Exports to Argentina

(Unit: \$1,000)

	1953	1954	1955
Food and beverages	55	45	245
Fabrics and textile products	243	1,701	3,101
Lumber and lumber products	—	39	828
Animal and plant products	11	7	6
Chemical products	689	2,439	2,524
Metals and their products	8,759	44,892	72,545
Non-metal ores and their products	69	50	92
Machinery	244	1,788	7,879
Miscellaneous	390	154	306
Total	10,563	51,220	87,030

Imports from Argentina

(Unit: \$1,000)

	1953	1954	1955
Cereals and kindred products	3,355	25,948	6,899
Raw materials for textiles and fabrics	42,149	23,499	10,797
Lumber, pulp and paper	—	—	—
Animal and vegetable products	2,566	964	1,232
Petroleum, oil, fats and wax	2	—	—
Chemical products and their products	3,245	1,121	2,357
Machinery and books	0	0	1
Miscellaneous	79	198	44
Total	51,410	51,734	21,279

JAPAN'S FOREIGN TRADE AND FOREIGN EXCHANGE

(1) Indices for Value and Quantum of Foreign Trade

(Source: Economic Planning Board)

(Monthly averages or calendar months)

(1953=100)

	Exports			Imports		
	Value Index (A)	Unit Value Index (B)	Quantum Index (A/B)	Value Index (A)	Unit Value Index (B)	Quantum Index (A/B)
1954	127.8	95.0	133.3	99.6	96.1	103.6
1955	157.8	90.6	174.1	102.8	94.4	108.9
1955 Oct.	177.8	90.8	195.8	100.4	95.8	104.8
Nov.	158.4	90.8	174.4	111.5	95.0	117.4
Dec.	234.6	93.5	250.9	116.2	94.5	123.6
1956 Jan.	141.0	92.0	153.2	108.8	94.1	115.6
Feb.	174.8	91.4	191.3	109.7	94.7	115.6
Mar.	210.7	94.7	222.6	126.1	94.4	133.6
Apr.	183.1	91.2	201.6	127.1	92.2	133.5
May	184.0	94.1	195.1	135.3	95.0	142.4
June	198.1	94.1	210.8	139.3	94.8	146.0

Note: The value index based on export value (F.O.B.) and import value (C.I.F.) in dollars.

(2) Foreign Exchange Receipts and Payments

(Annual and monthly totals)

(Source: Foreign Exchange Control Dept. B.O.J.)

(U.S.\$1,000)

	Visible Exports	Receipts		Visible Imports	Payments		Excess of Receipts or Payments (*)
		Invisible Exports, Donations & Capital Transactions	Total		Invisible Imports, Donations & Capital Transactions	Total	
1950	772,816	235,493	1,008,310	645,512	31,695	677,207	331,102
1951	1,297,324	943,256	2,240,580	1,725,110	184,167	1,909,277	331,303
1952	1,289,185	949,941	2,239,127	1,718,361	206,453	1,924,815	314,312
1953	1,156,399	963,638	2,120,037	2,100,998	212,718	2,313,716	* 193,679
1954	1,532,478	776,786	2,309,264	1,961,680	247,616	2,209,296	99,967
1955	1,954,169	713,475	2,669,645	1,848,224	325,622	2,173,846	493,798
1955 Oct.	178,778	61,616	240,394	142,043	29,690	171,734	68,660
Nov.	174,499	62,094	236,594	154,858	33,040	187,899	48,694
Dec.	198,174	70,595	268,769	177,042	30,464	207,506	61,263
1956 Jan.	181,083	57,257	238,341	179,511	29,301	208,812	29,528
Feb.	192,413	61,802	254,216	177,700	32,577	210,348	43,868
Mar.	192,327	64,405	256,733	173,529	32,957	206,487	50,246
Apr.	209,919	65,730	275,650	181,936	38,738	220,675	54,975
May	178,426	67,032	245,458	181,554	35,449	217,004	28,454
June	223,223	71,937	295,161	205,603	47,622	253,225	41,935
July	204,621	69,839	274,461	242,829	43,607	286,437	* 11,976
Aug.	212,713	69,842	282,556	232,463	50,610	283,073	* 516
Sept.	187,900	68,800	256,800	207,000	30,900	237,900	18,600

(3) Exports and Imports of Principal Commodities

(Annual and monthly totals)

(Source: Customs Division, Ministry of Finance)

(Y1-Million)

	(a) Exports							
	Foods & Beverages	Textiles	Chemicals	Non-metallic Mineral Manufactures	Metals	Machinery	Miscellaneous	Total
1951	24,866	224,129	13,227	21,444	107,916	39,346	57,849	488,777
1952	35,786	160,310	14,364	20,701	122,634	39,636	74,822	458,243
1953	47,302	165,721	22,417	20,792	67,148	67,936	67,627	458,943
1954	48,481	236,515	28,404	24,915	89,939	72,825	85,446	586,525
1955	49,007	269,786	33,751	30,625	138,942	88,835	112,870	723,816
1955 July	3,755	22,463	2,986	2,616	10,815	5,539	9,402	63,358
Aug.	4,562	23,692	1,844	3,390	13,069	7,197	9,514	63,358
Sept.	4,193	24,747	2,388	2,840	12,515	7,345	9,470	63,449
Oct.	4,910	25,272	2,371	2,968	12,800	9,555	10,629	66,005
Nov.	4,963	22,513	2,719	2,517	11,349	7,422	9,106	60,589
Dec.	6,180	35,527	4,272	3,324	15,380	13,062	11,960	89,705
1956 Jan.	5,713	19,276	2,385	2,308	8,979	7,882	7,368	53,911
Feb.	5,575	23,743	2,895	2,494	8,831	13,337	10,035	66,550
Mar.	5,073	29,846	4,455	3,302	12,238	11,630	14,020	80,564
Apr.	4,266	23,512	3,279	3,273	10,838	14,233	10,890	70,291
May	5,871	24,246	3,117	3,214	11,649	10,666	11,421	70,184
June	5,398	23,315	3,698	3,742	9,845	16,696	13,174	75,867

(b) Imports

		Foods & Beverages	Textile Materials	Metal Ores & Non-metallic Minerals	Mineral Fuels	Chemicals	Machinery	Miscellaneous	Total
1951	.....	181,081	276,920	65,720	57,586	13,265	20,639	122,021	737,241
1952	.....	222,384	220,170	78,032	84,304	15,932	32,569	76,961	730,352
1953	.....	225,014	245,759	87,292	103,973	24,900	57,867	122,664	867,469
1954	.....	235,363	229,844	81,155	96,246	33,458	63,747	123,972	863,785
1955	.....	224,992	216,869	92,234	104,040	40,482	47,665	163,633	889,715
1955	July	23,217	15,830	9,075	8,506	2,387	3,450	10,861	73,326
	Aug.	20,167	14,348	10,585	7,438	2,477	4,548	15,183	74,746
	Sept.	16,288	11,937	9,099	7,540	3,516	3,343	13,217	64,940
	Oct.	17,649	14,783	9,753	9,458	3,619	4,239	13,074	72,675
	Nov.	20,042	17,690	10,497	11,438	3,575	4,081	13,314	80,636
	Dec.	18,666	20,922	10,200	10,257	3,415	4,118	16,426	84,004
1956	Jan.	15,388	19,557	9,725	10,957	3,003	4,295	15,735	78,681
	Feb.	16,862	19,090	10,032	10,582	3,602	4,406	14,764	79,338
	Mar.	18,281	21,140	12,337	13,169	5,177	5,635	15,456	91,195
	Apr.	16,615	26,948	15,501	9,853	5,252	4,840	12,885	91,894
	May	16,652	26,073	15,642	13,433	5,089	4,461	16,479	97,829
	June	17,594	25,527	17,046	11,734	5,201	6,163	17,680	100,945

(4) Exports and Imports by Trading Area

(Annual and monthly totals)

(Source: Customs Division, Ministry of Finance)

(U.S.\$1,000)

		Exports			Total	Imports			Excess Imports (*) or Exports
		Total	Dollar Area	Sterling Area		Total	Dollar Area	Sterling Area	
1951	.....	1,354,520	316,807	585,062	452,651	1,995,039	1,180,230	453,647	* 640,520
1952	.....	1,272,915	396,997	539,668	336,250	2,028,193	1,221,676	501,604	* 755,278
1953	.....	1,274,843	490,099	817,502	467,242	2,409,647	1,304,783	602,761	* 1,134,805
1954	.....	1,629,236	560,922	492,758	575,556	2,399,404	1,411,067	433,185	* 770,168
1955	.....	2,010,600	816,440	649,081	545,050	2,471,430	1,332,027	599,514	* 460,830
1955	Oct.	189,903	79,056	58,884	50,963	201,597	112,568	51,046	* 12,994
	Nov.	169,303	70,924	49,455	47,924	223,988	125,262	55,044	* 55,685
	Dec.	249,180	99,681	81,714	67,785	233,344	129,714	63,121	* 15,836
1956	Jan.	149,752	56,321	50,065	43,355	218,557	113,363	67,040	* 68,805
	Feb.	185,695	77,402	65,522	40,469	220,385	113,889	65,954	* 34,690
	Mar.	223,788	86,758	81,688	52,471	253,320	120,632	88,189	* 29,532
	Apr.	195,252	88,001	67,332	39,892	255,261	119,957	95,975	* 60,009
	May	194,958	84,242	75,047	35,654	271,747	144,254	89,397	* 76,789
	June	210,742	96,971	72,190	40,415	280,402	156,062	85,977	* 69,660
	July	197,784	89,674	68,351	39,749	276,448	146,389	96,240	* 78,664
	Aug.	217,192				288,997			
	Sept.	205,156				258,953			

(5) Gold and Foreign Exchange Holdings

(End of period)

(Source: Ministry of Finance)

(U.S. \$ 1-Million)

		The Bank of Japan			Government			Foreign Exchange Banks	Total
		Gold	Foreign Exchange		Foreign Exchange		Open Accounts	Foreign Exchange	Gold & Foreign Exch.
			Gold	Total	U.S. Dollars	Pound Sterling			
1951	.....	—	—	23	944	527	211	120	926
1952	.....	—	—	10	914	583	249	64	1,165
1953	.....	—	50	16	1,035	664	78	122	1,017
1954	.....	—	51	18	826	679	194	103	1,125
1955	.....	—	51	21	950	564	223	245	1,470
1955	July	—	514	23	801	334	228	184	1,239
	Aug.	—	265	22	859	447	217	188	1,276
	Sept.	—	265	22	884	479	226	196	1,357
	Oct.	—	318	22	903	480	227	213	1,418
	Nov.	—	396	22	883	443	218	222	1,464
	Dec.	—	507	22	816	376	223	245	1,470
1956	Jan.	—	514	23	801	334	234	242	1,475
	Feb.	—	512	23	829	354	236	246	1,512
	Mar.	—	503	23	871	389	232	249	1,558
	Apr.	—	495	23	915	434	235	253	1,596
	May	—	491	23	963	475	212	249	1,597
	June	—	491	23	960	489	171	246	1,593

COMMANDISM AMONG MINORITIES IN CHINA

The uprisings of the people in Poland and Hungary gave renewed emphasis to the repeated injunctions of the Central Government to treat the minority nationalities with courtesy and respect. It is pointed out that everybody recognises that China's frontier defence is strong, and that with a strong defence the country can proceed with large-scale economic and cultural construction. Yet the strong defence is "precisely a reflection of the relation of mutual help between all nationalities. Except the south-east frontier, which is inhabited by the Han Chinese, all our frontier areas are minority areas. The minority areas account for six-tenths of the total area of China. Without the efforts of the minority nationalities in the extensive frontier areas, how is it possible to consolidate the national defence?" The Peking People's Daily goes on to point the moral and urge that minorities joining the "big family" of the Motherland must be helped and in turn they would render their help. The relation between the nationalities is not purely one of help of the Han Chinese to the minority people, as some of the working personnel think, but one rather of mutual friendly help based on common patriotism. It is admitted that insufficient respect has been shown by Chinese working personnel for the minorities. Some Chinese cadres defaced the Uighur sign when the Uighur autonomous region in Sinkiang was inaugurated, and some responsible cadres of the Party working in Yao minority areas would not allow minority cadres to speak their own language at meetings. In the Chingpo minority areas some of the Chinese cadres monopolised everything, and left nothing whatever to the minority cadres.

"Our economy and culture are indivisible wholes," says the paper. In the economic sphere all nationalities exchange their goods and make progress in common. The minority people supply the country with furs, hides, livestock, meats and native products, and the Han Chinese supply daily necessities and capital goods. They learn stock-breeding from each other and the exploitation and utilisation of the mineral resources of the frontier areas bring infinite benefits to the whole nation. As to our culture, ours is always a synthesis of the culture of all nationalities and is not merely a culture of the Han Chinese or "a certain nationality" (meaning Russian).

The Communist cadres have done much for the minority nationalities, but they have not always done it in the right way. There have been complaints innumerable of "commandism" as between the cadres and their own people in the various provinces. It may safely be assumed that it took on a sharper guise when it came to ordering the despised minority tribes about. There are numerous minorities in Hainan Island, which could be, and is quite likely to become, one of the greatest outposts of modern development along the Chinese coast. But though there are many real Chinese on the island it is regarded more as a colony than as part of a Chinese province, and the spokesman for the Li and the Miao Autonomous Chou on Hainan, while reciting the great sums of money allotted in the State Budget to the development of communications, public health, and other enterprises in minority nationalities areas, spoke also of abuses.

Chen Szu-teh, who was the spokesman, told the National People's Congress on June 30 (in a speech not released for publication until three months afterwards) that Party and Government leaders, finding the villages too scattered for their purposes, ordered the amalgamation of a number of them in order to establish better and better

socialist co-operatives. This required many of the peasants to leave their native villages. This way of doing things, the spokesman said, not only ran counter to custom but also "overtaxes the people and their financial resources," constituting a disadvantage to production. The mistake was corrected but it had already had a bad influence on the people. The Miaos in the region had hitherto lived in the mountains, and earned their living by the felling and planting of trees. The leaders wanted to develop the agricultural co-operatives and to close the mountains for replanting, so they decided that the Miaos should move down to the lowlands and organise themselves into co-operatives. Just as they were building some huts to move into, there was an unexpected drought. The leaders were resolved to fight this drought in an overall manner, and the migration of the Miaos was incontinently stopped. But though they had to stay in the mountains they were no longer allowed to fell the trees or to till the soil, and were in a very difficult situation which naturally aroused their discontent.

Muslim peasants in Yaihsien had always found fishing a lucrative side-occupation, but after agricultural co-operativization, they were ordered by the cadres to concentrate on farming and were forbidden to fish. The fishing-boats and nets were thus left to rot, the income of the Hui fell and their losses were great. The reorganisation of the lower co-operatives into the higher Socialist co-operatives was effected too rapidly and on too large a scale. The cadres not only lacked experience in establishing a system of management and operation for higher co-ops, but also neglected this system. Soon a state of disorder appeared. Owing to inadequate organisation of work and reckless and unreasonable assignment of tasks, idle labour and waste became serious.

The spokesman gave precise instances of these shortcomings, and mentioned that among the more serious consequences was the death of many head of cattle as nobody was put in charge of tending them. Nearly 100 were lost in Tungfang, Fukien and Paoing counties, involving the peasants in great losses. Bad organisation also led to a great waste of labour time by the co-op members and a reduction of income. Some had to go into the fields at dawn and never got back home till after dusk, on top of which they had to attend meetings, wait for new assignments and record their work-points. Such meetings often lasted till 3 o'clock in the morning or even till the crowing of the cock. The peasants hardly had time to get their hair cut or to darn their clothes and they lacked sleep. They also suffered shortage of cash owing to the banning of side occupations. They had no money even to buy such a necessity as salt. Socialism might be good, said the peasants, but "it makes us too busy and our lives too difficult."

The chou from which Chen Szu-teh came originally intended to set up 1,000 socialist co-ops before the end of April, 1956. One thousand accountants were to be sent from other places, but later only 424 APCs were established and so two accountants were sent to each one, thus increasing their burden. Moreover they were given no education in minorities policy and ideology beforehand, with the result that they could not endure life among the minorities and many fled or tried to flee. In a co-operative composed of Chinese and Muslims, the Chinese peasants had land reserved for them but not the Muslims. They were also in a privileged position in irrigation. The minorities joined the APCs not because they were entirely self-conscious and willing to do so, but because they just "followed the big

TRENDS IN HONGKONG PRIVATE BUILDING DEVELOPMENT

By Ricardo

Construction of residential flats and office buildings by private investors remained active in 1956; 2,800 projects were completed costing about \$150 million. Including the value of land and cost of site formation, the amount of private capital involved exceeded \$400 million. Development was particularly impressive during the first half year but beginning July, tight money among real estate investors, as a result of the restrictions imposed by banks on granting loans against mortgage of buildings, and other factors such as the deterioration in the Near East, rioting in Kowloon, increased cost of building materials and the advance in land values, slowed down new construction. At the end of last year however over 30 tall buildings were under construction; some will take more than a year to complete.

General Prospects

Investment in real estate projects will increase this year if the political situation in the Near and Far East improves. Land prices should advance further because reclamations and levelling of hills do not provide enough land for new projects. On the other hand, due to keen competi-

tion and the limited purchasing power of local residents, rental for tenement flats will continue to drop; the decline however will not be sharp. But as more flats are being built investors will have to be satisfied with an average profit of 10% to 15% per annum instead of the 40% to 50% during the boom years of 1953/54. Building projects which were planned on the quick-profit basis will have to be readjusted to attract tenants or buyers.

Residential buildings will be taller because the increased land value forces contractors to build more storeys in order to depress the cost of land for each flat. Taller buildings will require more capital and small construction firms will be gradually forced out of business or amalgamated into syndicates. Investment in big office buildings will be slower and there will not be many new plans before the completion of projects already announced including the redevelopment of Shell House. Investors now consider to build first class hotels complete with restaurants and night clubs in the central district of HK; in Tsimshatsui and Shatin.

Building Development—1953/56

Investment in big office buildings will be slower and there will not be many new plans before the completion of projects already announced including the redevelopment of Shell House. Investors now consider to build first class hotels complete with restaurants and night clubs in the central district of HK; in Tsimshatsui and Shatin.

At the height of the building boom in 1953/54, residential blocks were erected on vacant lots in North Point, Tsimshatsui, Hunghom etc. Flats in the Tsimshatsui district were offered to eager tenants at the monthly rental of \$700 in addition to the construction fee of about \$5,000 per flat and a 2-month deposit. Flats in Hunghom and North Point went for \$500 per month plus \$3,000 construction fee and 2-month deposit. Construction cost was comparatively low then and in the Tsimshatsui area investors were able to build a 5-storey building consisting of 10 flats with \$250,000 including the cost of land, site formation and building construction. The work took about 6 months and the market value of the property was \$300,000 netting a profit of \$50,000 which is equivalent to an interest of 40% per annum. If the investor lets out these flats at \$700 per flat, his collection from rent less rates is about \$72,000 every year. Even without the collection of construction fee and deposit, the owner gets every cent of his investment back within 3½ years plus 10 flats in reasonably good condition providing an income of \$6,000 per month. In many cases, the owner mortgaged the new building after a year and with the money from the mortgage plus the rental and construction fee collected during the year, built a new block of flats. Many construction companies multiplied their assets during the boom years.

Attracted by such high profit, more investors poured money into real estate projects. Many buyers, particularly families of overseas Chinese, procured these flats and led a parasitic life on high monthly rental. The demand was so strong and unexpected that many buildings were sold even before the foundations had been laid. Very soon, all available vacant lots in Tsimshatsui, Hunghom, North Point and Causeway Bay districts were covered with new buildings. Even on the wasteland of Kowloon Tsai, single and twin residential buildings with small gardens sprang up overnight. Old houses were then pulled down and taller buildings erected on these sites. This enabled landlords to have more flats on the same site and to collect monthly rental much higher than the controlled rent for old buildings.

Therefore, they became doubtful of the future of the co-operatives and some wanted to withdraw from them owing to confusion and poor results. He said that the experience gained from the reorganisation of lower co-ops into higher co-ops should call for serious attention by the departments concerned.

In addition, when the provincial roads were built, the peasants were not only required to perform free labour but also to bring their own rice with them, while those who had joined the co-operatives were not given any work-points in the co-ops. Some peasants ran away because they thought that this constituted too great a loss to them. Schools for the development of primary education had to be built, and the cadres insisted that all funds for constructing school buildings, paying teachers' wages and defraying other expenses should be raised by the masses (the minorities) themselves. Where there were higher co-ops, they were to run the schools and school fees would be charged. The spokesman said the minorities could not afford this. Some retained their children to work in the fields and refused to let them go to school as a result. The teachers saw their classes diminishing and lost heart for fear wages would be cut. The collection of public health fees from the minorities also added to their hardships. They all in any case, when they fall ill, sacrifice to the gods, for the Li and the Miao peoples are very superstitious.

Mr. Chen, who is a deputy magistrate of the autonomous chow, put forward various proposals to the People's Congress, and urged that for the time being all expenditure for school education, public health and medical treatment should be paid by the Government until the APCs became self-supporting. He also urged the serious readjustment of the rashly organised higher co-ops. Some of the peasants also required more indoctrination; the management and operation of the co-ops required improvement and more attention should be given to the working women who live a particularly hard life. Side occupations and handicraft production should be encouraged and help given in their development, especially in techniques and equipment.

Attracted by such high profit, more investors poured money into real estate projects. Many buyers, particularly families of overseas Chinese, procured these flats and led a parasitic life on high monthly rental. The demand was so strong and unexpected that many buildings were sold even before the foundations had been laid. Very soon, all available vacant lots in Tsimshatsui, Hunghom, North Point and Causeway Bay districts were covered with new buildings. Even on the wasteland of Kowloon Tsai, single and twin residential buildings with small gardens sprang up overnight. Old houses were then pulled down and taller buildings erected on these sites. This enabled landlords to have more flats on the same site and to collect monthly rental much higher than the controlled rent for old buildings.

As a result of such unrestricted development by speculative contractors and blind investment by inexperienced real estate companies and small investors, many landlords soon found that they were not able to let out their flats as easily as they had expected. Some landlords were not able to collect the rent from their tenants. During the second half of 1954 when rent and price of new buildings were at the peak level on account of the heavy influx of capital from overseas, there were about 4,000 vacant flats in HK and Kowloon. These structures put up in a rush were mostly constructed with inferior materials and rooms usually measure below 8' x 9'. Thousand of new flats in tenement buildings showed signs of old age about a year after the completion of the construction work. Ceilings are low, staircases tiny and everything is below standard. It became difficult to attract tenants into such buildings even when rental was pegged down and no construction fee was demanded. By the end of 1954 and beginning 1955, landlords deducted about 10% to 15% of their monthly rental and asked only 1-month deposit; but tenants were still difficult to get.

Construction companies soon discovered that investment in such residential flats no longer yielded quick profit especially after the price of land had jumped considerably during the past two years. They therefore switched to the building of luxury apartments with coloured bath rooms and built-in air conditioning system complete with automatic lifts. They had the misconception that those vacant flats attracted no tenants because the construction work was flimsy. Centres of development shifted to the higher levels on HK island and the Causeway Bay area where hills were attacked to make room for tall apartment blocks. A number of projects in Tsimshatsui were also launched in 1955.

During the second half of last year, construction work was slower because there were not enough buyers. Many firms did not have enough capital to complete these ambitious development projects especially after banks had tightened credit on mortgage. As time dragged on, many small construction firms were amalgamated into bigger companies. Instalment payment terms were offered to buyers to facilitate sales. Meanwhile, one fact emerged—HK has not enough people who could afford their own apartments particularly on HK island higher levels where tenants must have private cars as there are no bus services. New projects are therefore concentrated in locations where public transportation is available. However, sales of these apartments costing about \$30,000 to \$60,000 per flat are difficult. There will be fewer buyers and tenants for the tall apartment blocks now being built by many construction and investment companies.

Residential Flats

Many construction companies now realise that investment should be directed towards the building of low-rental flats in locations of dense population. At the present, only Government and some associations are putting up low-rental flats. These include the Resettlement Estates in Kowloon and quarters for non-Chinese civil servants in Kowloon and HK constructed by Government; housing projects in West Point of HK Island and on Chatham Road in Kowloon undertaken by Civil Servants' Cooperative Building Society; flats built by HK Bank and other leading private firms for their employees; flats for white collar workers put up at Hunghom, North Point and Castle Peak areas by HK Housing Society; and similar buildings erected by HK Housing Authority in North Point, Kennedy Town and Shamshuipo. But there are too few such buildings and far too many applicants. The only possible way to solve the housing

shortage is for Government to build more resettlement blocks with the rent scale of \$15 to \$20 per month; for housing associations to offer the \$100 to \$200 flats to more people without restricting qualifications of the applicants; and for private investors to build larger residential flats and offer these at \$300 per month to the public.

Ideal locations for such development are the densely populated Mongkok, Shamshuipo, Hunghom, North Point, and Wanchai districts where the back streets are full of dangerous, old, wooden structures. If 8-storey buildings are erected, construction fee and value of land would come to about \$20,000 to \$30,000 per flat depending upon the location of the site. Materials used would not be first class but the construction should be solid enough and the layout reasonably good to attract tenants at \$300 per month. This gives the investor an interest of about 12% per annum on his capital. Investors who have foresight are already venturing into such development but the demand is so strong that no matter how fast these low-rental flats come up there will always be anxious tenants waiting to move in.

One ingenious investor offers loans of \$30,000 each to a limited number of persons for the purchase of flats on following terms: (1) the \$30,000 loan is to be returned in 100 monthly instalments of \$300 each plus an interest of about 1% per month on the outstanding balance; (2) the debtor signs an IOU with the deed of the house as the security for the loan. Some private firms offer this facility to their senior staff members without interest. Unfortunately, not everyone can get such a loan. If banks would finance the Hire-Purchase of these flats at a lower interest rate, building development could be further stimulated.

Office Buildings & Hotels

In the central district of HK Island, many old office buildings were pulled down to make room for taller structures during the past three years. Several projects are still under construction and thousands of workmen are toiling over foundation work and on the scaffoldings of unfinished buildings. Land and investment companies consider it preferable to put funds into new buildings where they will have the effect of increasing earnings rather than to spend a large sum for repairing the older properties where the rents are controlled and where consequently no immediate financial benefit could be derived from added expenditure. However, the redevelopment of office buildings has been comparatively slower than the construction of residential flats because tall office projects require large sums of capital and the demand for additional office space is not as urgent as the demand for tenement floors.

Private capital has also been slow and reluctant to undertake the construction of high class hotels complete with restaurants and night clubs. At present, the leading hotels refuse to take in local residents and are accommodating only 2 out of every 5 tourists. Reservations have already entered well into March this year. Many tourists must cut short their stay in HK because there is no accommodation in first class hotels. A conservative estimate put the number of tourists which HK is losing due to the lack of hotel accommodation at 100 every week. Leading hotels are so fully booked that it has been impossible for them to carry out adequate repair jobs on the buildings.

With the exceptions of the HK Hotel building now under construction in the Central District of Victoria, the Peninsula Court which is nearing completion, there are no other hotel projects. There have been misleading reports of large hotel buildings: nothing has been done. Even the rebuilding of the Ritz night club has been shelved and the

HONGKONG INDUSTRIAL REPORTS

Cameras: Box and reflex cameras are now being produced here and the manufacturer will expand production to include pocket and full-size binoculars as well as other optical instruments. This industry can only prosper if Empire preference continues to favour local industry in British Commonwealth markets. Although the price will be cheaper than Japanese cameras, it is unlikely that Japanese camera manufacturers will not be able to underbid the local products in other than Empire preferential markets. Machinery of the local camera factory was bought from Japan. Production is at present 1,000 box and 300 reflex cameras but it is hoped to expand it to 10,000 and 3,000 respectively, per month. The box camera has a F 8 compound lens, the reflex a F 3.5 lens with shutter speeds of 1/25 to 1/100 sec. For competitive photography these cameras would not be expected to be attractive. Materials for the body work and blanks for the lens grinding are being imported from Canada and the UK so as to have the cameras qualify for Empire Preference.

Custom-Made Suits: Some unscrupulous tailor shops recently sent deceptive samples to America in an attempt to compete with established shops which are enjoying steady demand from US and other countries for custom-made suits. The United States Federal Trade Commission warned that if this practice was not stopped the American Congress would be asked to pass a bill stopping the mail order trade or by action under US postal law, US Post Office would return letters from HK containing these samples to senders. Fortunately there are only a small number of unethical traders who export suits made of Japanese material disguised as British woollens. Most tailor shops, particularly the larger ones, are honest and proud of their reputation. They charge overseas customers 10% higher than in local business but they would not substitute cheap materials for famous brands. Four of the leading tailor shops have an active direct mail list of about 200,000 names of which 90% are Americans; some customers have been ordering their suits from HK for the past 25 years. The competition is very keen because in addition to about 200 registered shops with more than 6,000 tailors, there are over 1,500 small unregistered "family" type tailor shops in HK. The total mail-order export by local tailors and exporters to US and other countries is estimated at 930,000 garments every year including 2-piece suits, sport jackets, slacks and

topcoats using about 2.5 million yards of imported woollen and other materials. Overseas buyers should therefore contact reliable firms for their purchases and refrain from being tempted by cheaper offers from unscrupulous HK exporters.

Knitwear: Exports of HK manufactured cotton singlets to Malaya, Indonesia, Thailand, Macao, Africa and UK are not as well known as shipments of gloves to UK, US, Australia and Europe because HK cotton singlets have been accepted by various markets without any adverse criticism from manufacturers in these countries. During the first 6 months last year exports of cotton singlets totalled \$51.7 million while exports of gloves made of cotton, woollen, nylon and rayon yarn amounted to only \$19.7 m. Other knitted goods manufactured here include: hosiery, swimming suit, sport shirt, towel, brand label, ribbon, shoe lace, lamp wick and woollen sweater. In order to meet the competition from Japanese and Chinese goods, several mills here installed new machinery.

Shirts: White poplin shirts are now offered by local factories at about \$4.50 each. The materials used are mostly imported from China. Chinese poplin is offered in the local market at less than \$1 per yard while Japanese brands are sold at about \$1.45 per yard. These shirts are now shipped in large quantities to Thailand, and other SE Asian markets. Shirts exported to UK, Malaya and other Commonwealth countries which grant preferential tariff to HK manufactures are purported to be made from poplin weaved in HK. This is a growing industry and exports of shirts now average \$66 million every year. Demand from various sources is more than factories here could handle; even small workshops are now prospering on orders from markets as far as Sweden.

Garments Manufacturers: At the inauguration of the HK Garments Manufacturers' Union early this month, the Director of Commerce and Industry urged local factories to sell their products according to samples and agreed specifications. He estimated that last year exports of HK garments, not including shirts, totalled \$190 million representing an increase of almost 100% over that for 1953. Exports of shirts during the past four years amounted to about \$255 million and exports of garments such as dungarees, jackets, blouses, pyjamas, raincoats and children's wear over the same period totalled about \$250 million. According to the President of the Union, the success was largely due to the preferential tariffs which HK enjoys in UK and many other Commonwealth nations. HK manufacturers should use more Commonwealth materials because "in buying from these countries, we help ourselves to attain the requisite Commonwealth content to justify preferential rates of duty."

Watch Cases: A stainless steel watch case made locally costs less than \$1, only a fraction of the price for cases imported from Switzerland. As a result, HK watch cases are now exported to markets as far as Canada and the US. Local demand is very good because watch dealers here import movements from Switzerland and Germany, and assemble them in locally made cases. These watches are sold locally at prices varying from \$20 to \$50 each and are mostly exported. Large quantities of cheap watches used to be smuggled to Japan, China, Malaya, Indonesia, Thailand, Taiwan, Korea and other territories. China is now buying from the local market through her own agents and is cutting illegal imports to a minimum. Smuggling of watches to other countries is no longer made in large consignments on account of the preventive measures introduced by Govern-

old Ritz was re-opened with half of its former floor space. There is now no place in HK where an international convention could be held.

There are also not enough decent restaurants in the business district of HK. Every restaurant and cafe is full during lunch hours and tables must be reserved in advance. Tourists could only hope to get a table after 2 p.m. or before 12 noon if their reservations are not booked in the morning.

The lack of interest among investors to build first class hotels might be explained by the fact that it requires not only large sums of capital for the construction of the building and for the furnishing of rooms but also needs trained personnel to run the place. Furthermore, the profit is not as attractive and the turnover not so quick as in the case of building and selling apartment blocks assuming that all flats are sold without difficulty after the completion of the building. Some investors are afraid that there might not be enough tourists to fill up all the rooms.

ment but small parcels of watches continue to go out undeclared because profit at these destinations remains handsome.

Foam Rubber: The use of foam rubber in making furniture was unknown in Hongkong five years ago. Today, HK is producing foam rubber cushions and sheets for exports. Wholesale prices are: \$3.20 per square foot for foam rubber sheets of 1" thick without cavities and \$4.25 per square foot for sheets of 2" thick with cavities. Local demand is very strong; principal buyers are furniture shops and interior decorators. Seat cushions made of 2" sheets plus covers are now sold at about \$13 each for sizes about 1 square foot.

Paints and Varnish: Most ships which call at HK have their hulls repainted here because the cost of labour is cheap and the supply of paint from local factories abundant. Thousands of gallons of HK-made paints are being applied on new and old buildings as well as furniture and other household articles. Local factories now supply 80% of domestic needs. Exports to SE Asia are improving; Malaya bought \$5.2 million worth of HK paints, enamels, mastics, lacquers and varnish in 1955 out of the total export of \$12.4 million. Other buyers are North Borneo, Pakistan, Burma, China, Taiwan, Indonesia, Macao, Philippines, Thailand and South Korea. The newest product of local paint factories is the emulsion paints with polyvinyl acetate or latex base especially suitable for humid climates. Other products include acid-resistant finish, insulating varnish, rubber, varnish, tinplate varnish, paste paint, insecticidal coating, rust bonderizer, leather dope, aircraft finish, paint remover, cement paint, chromate based prime coating and fire-resistant paint.

Carved Wood Articles: HK carved camphorwood chests are enjoying increasing popularity in the US and other far-away markets. Unfortunately wood-carving cannot yet be done on a mass production scale; each and every piece of woodwork has to be carved by hand with the help of over 30 special chisels. It takes about two weeks for an experienced craftsman to carve a 3-dimension picture on a single lid for a chest. Furthermore there are not many experienced workmen in HK. In addition to chests, local factories also make carved wood furniture including cocktail cabinets, tables, screens and chairs from teak and other wood. Recently, one local craftsman displayed his skill at the Hudson Bay Company's department store in Vancouver. Enquiries have reached here from Canada for various kinds of carved wood chests and furniture. Malaya and the US remain leading buyers of these items from HK.

Midget Vacuum Cleaner: On top of the conventional torch case, one manufacturer replaced the bulb and reflector unit with a gadget consisting of a circular brush behind which is a suction fan powered by a small motor connected to the batteries. This midget vacuum cleaner picks up, by suction, dust and lint when the dress is being brushed. The factory is now manufacturing 3,000 dozen units every

month. Most raw materials used are obtained here and the wholesale price is about \$6 each. There is much room for improvement. For instance, the power of suction is not strong enough; the brush is too small and the body too big.

Steel Windows: Local iron works are now producing 100,000 square feet of steel window frames every month. 25% of this output is exported to Indonesia, North Borneo, Thailand, Singapore and Malaya, Okinawa, South Korea and Africa. As a result of the strong local demand and steady exports to SE Asia, window manufacturers have enough orders to keep their factories busy till end of March. Local demand is growing because steel windows have replaced wooden frames in buildings. First quality products made by big works from sash bars imported from Belgium are as good as imported frames but those sold by some small factories are so poor that they cannot be bolted properly; they rust quickly and deteriorate fast.

Steel Vessels: The Cheoy Lee Shipyard recently launched a plant-carrier ordered by the Sarawak Government and a bunkering lighter built for the Shell Company of Singapore. The plant-carrier measures 90' in length, 27' breadth and is equipped with two sets marine diesel engines each of 125 HP, one set 20 Kw generator, 1 set 10-ton derrick. The ramp door at the bow is electrically operated. The craft can carry a number of trucks and other heavy vehicles with a cargo capacity of 10,000 cubic feet. This craft will be put to use in connection with the large road building scheme undertaken by the Sarawak Government. The bunkering lighter is 100' in length by 23' in breadth and is powered by 2 sets marine diesel engines each of 80 HP. It has an oil carrying capacity of about 260 tons.

German Machinery: Many local industrialists recently approached German trade representatives here for information on the purchase of machinery from West Germany. Among the equipment enquired for are plastic, textile, woodwork, bakery and watch case making machinery; diesel engines, generators, building construction equipment; and chemical engineering plant. One manufacturer wanted to buy equipment for extracting albumen from fish. The German Information Centre at the recent Exhibition of HK Products received over 200 enquiries which were sent back to Germany; manufacturers there will contact HK buyers direct for further negotiations.

Industrial Employment: Registered and recorded factories in HK increased by 89 to 3,293 and the number of workers employed rose by 3,463 to 148,044 during the period July/September last year. Employment in textile mills increased by 1,950, in metal works by 1,100 and in plastic factories by 500 reflecting the improved exports of cotton yarn and piece goods to Indonesia and better demand from SE Asia for metalware and plastic articles. Mining and quarrying, beverages, rubber shoes, storage and warehousing and shipbuilding all showed declines in employment.

HONGKONG GOVERNMENT REPORTS

RADIO, WIRELESS, TELEPHONE, POSTAL SERVICES

Radio Licensing: The number of licences of all kinds in force at 31st March, 1956, was 54,933 including a record total of 54,073 Broadcast Licences, an increase of 8,389 or 18% over the figure for 1954/55. Royalties received from Rediffusion totalled \$701,542 as against

\$530,950 in 1954/55. The increase of \$170,592 cannot, however, be regarded as in respect of increased subscribers to that service but to the increase in the Royalty fee from \$1 to \$1.50 per month per subscriber, with effect from August, 1955.

The 54,933 licences in force at 31st March are:

Radio Dealers	301
Ship Wireless Stations	115
School Licences	6
Experimental Wireless Stations	8
Press Receiving Stations	9
Amateur Wireless Stations	29
Aircraft Wireless Stations	5
Private Business Wireless Stations	21
Teletype Wireless Stations	3
Import and Export Permits	13
Duplicate P.M.G.'s Certificates	2
Broadcast Receiving Stations (Non Chinese)	3,683
Broadcast Receiving Stations (Chinese)	50,390
Broadcast Receiving Stations (Duplicate)	348
Total	54,933

Telephones: The Hongkong Telephone Company, Limited, operates the internal public telephone service in the Colony. In co-operation with Cable & Wireless Limited, the service is extended by Radio Telephone and is available to most parts of the world. At 31st March, 1956, the number of direct exchange lines working on the Company's system was approximately 39,600 and the number of extensions 17,400. During 1955, a new automatic exchange of 5,400 lines was brought into service in Kowloon and a new exchange of 1,000 lines was installed for the Peak District. Work was begun on the foundations of a multi-storey building to house a new automatic exchange of 12,000 lines. This exchange is designed to serve the Western District of Victoria and installation will commence when the building is completed in 1956.

Cable and Wireless Limited is responsible for all telegraph and radiotelephone services between Hongkong and countries overseas, for telegraph and radiotelephone services with ships at sea, and for a V.H.F. service with ships anchored in Hongkong harbour. In addition they provide a service for internal telegrams on Hongkong Island and in the New Territories. The Company is also responsible for the technical maintenance and development of the Colony's broadcasting and Aeradio services, meteorological radio services and the V.H.F. communications of various Government departments. The telegraphic communications of the Colony are served by several deep sea cables linked to the Company's world wide network of 150,000 miles of sub-

marine cables and their 14 direct high speed wireless telegraph circuits working with other centres in the Far East and beyond. Service was improved during the year by laying a second high speed cable connecting Hongkong with Manila. The overseas radiotelephone services, worked in collaboration with the Hongkong Telephone Company, Limited, continued to expand. During 1955, new services were opened to the Virgin Islands, Bermuda, Czechoslovakia, Poland, Saigon, Peru and Uruguay, thus extending the radiotelephone service from Hongkong to over fifty different countries. Radiotelephone relay services were opened between Macao and Chile, Hawaii and Mexico, and between Sydney and Jesselton and Labuan. The existing telephone services to Bandung and Seoul were extended by two hours daily during the year. An additional channel was made available to Tokyo.

Postal Services: The total number of bags of mail handled reached the record figure of 341,659, an increase of 51,912 over last year. Of the total for 1955/56, 62,301 bags were received from the China Mainland. Letters and packets totalled 123,075,066, an increase of 8,669,872 or over 7% over the previous year. These figures do not include those for parcels, registered and insured items. About 363,000 letters were referred to the Dead Letter Office due to the lack of sufficient address or a variety of other reasons. This total does not take into account the peak posting periods of Christmas and Chinese New Year.

The Canton/Hongkong route is now regularly used by the U.S.S.R. as its outlet to the Far East and Pacific destinations, and this mail forms a heavy proportion of the total of 62,301 bags received from Canton. Arrangements to use the air services operating within the China Mainland for letters posted in Hongkong were finalized during the year; and for the first time since 1949, airmail was accepted in Hongkong for transmission by rail to Canton and thence by air to Shanghai, Peking, Hankow and Kunming.

Parcel Post: There was an increase of 2,785 in total surface parcel traffic from 618,722 in 1954/55 to 621,507 in the current year. The majority of parcels consist of samples of HK products despatched in the search for new markets. Principal consignees were: U.S. 156,175 parcels U.K. 119,256, Malaya 72,059, and Africa 65,531 parcels.

Remittance Services: Money Orders totalled 16,045 valued at \$2,424,891 as against 12,876 valued at \$1,947,977 in 1954/55 whilst Postal Orders dealt with were 103,714 valued at \$1,906,575 as against 86,392 valued at \$1,608,097 in the previous year.

SHIPPING STATISTICS, REGISTRATION OF SHIPS, SHIP BUILDING AND REPAIRING

Foreign Trade: The total ocean-going vessels entering and clearing the Colony during the year 1955/56 amounted to 7,870 vessels of 21,807,590 nett tons. This figure when compared with last year shows an increase of 281 vessels, i.e. 3.7%, but a decrease of 72,152 nett tons (0.32%). The above tonnage of ocean-going vessels (21,807,590 nett tons) is less than the previous year, but the amount of cargo which these vessels brought to HK (3,426,583 tons weight) represents an increase of 0.51% over the previous year; the quantity of cargo exported totalled 1,628,181 tons, an increase of 19%. The reason for the increase in imports is due to the fact that more rice, fuel oil, coal and sugar were landed than in the past year; the increase should also be considered along with the greater number of ships calling here.

River Trade shows an increase of 4,235 tons (30.1%) in exports, but a decline of 11,666 tons (48.5%) in imports. The passenger trade shows a remarkable increase of 534,509

passengers (74%) over the previous year. The control of exports continued throughout the year and cargo carried from the Colony by native craft totalled 74,403 tons, a decrease of 57,995 tons from that of the previous year. The bulk of exports (47,500 tons) went to Macao consisting mainly of fuels and firewood, wood, foodstuffs, wares, vegetables and fruits, cement, bricks, rice, etc. Cargoes cleared for Canton included fertilizer, wares, medicines, chemicals, etc. On the other hand imports by junks and launches increased by 370,698 tons to the total of 782,675 tons. Almost 700,000 tons came from Canton and West River ports, about 22,000 tons from east and west coast ports and the remaining from Macao. The cargoes, in round figures, consisted mainly of the following: limestone 155,000 tons, fuels and firewoods 120,000 tons, vegetables and fruits 132,000 tons, wares 55,000 tons, foodstuffs 44,000 tons, about 40,000 tons each of bricks, cement and rice, 30,000 tons poultry and livestock, 20,000 tons each of Chinese medicines, edible oils, beans and peanuts.

Licensing of Native Craft: Junk and boat licences issued during the year totalled 20,336 of which 1,045 were for power driven vessels. A total of 418 motor boats and launches were licensed for commercial purposes. There were 267 new licences issued to mechanized fishing vessels and 46 mechanized vessels reverted to sailing vessels. At the end of the year the mechanized fleet totalled 967 vessels.

Ferry Services: Considerable interest was shown in the pioneering of small ferry services especially in the eastern Harbour area between areas under development and areas of dense population. "Excluded Ferries" were approved between (i) Hongkong, Tsun Wan and Tai O, and between Tsun Wan and Tsing I (services not commenced during the year), (ii) Ma On Shan and Ho Tung Lau, (iii) Tolo Harbour Ferry Service, (iv) Hung Hom and North Point, Hung Hom and Shauiwan, (North Point and Ngau Tau Kok service not commenced during the year) and (v) Ngau Tau Kok and Causeway Bay. A temporary licence was granted for a service between Shauiwan, Rennie's Mill, Yuen Chau and Hang Hau pending the issue of a licence to a successful tenderer. Tenders were also called for the Shauiwan, Sam Ka Tsun, Cha Kwo Ling Ferry extended to include Ngau Tak Kok. The ferry network of the Colony transported a total of 114,825,824 passengers and 1,194,300 vehicles during the year.

Registration of HK Ships: During the year, 47 ships were registered and the registers of 41 closed. The corresponding figures for the previous year were 37 and 56, respectively. The total number of vessels on the Register as at the 31st March, 1956, was 456 made up as follows:—

7,000/10,000 tons gross	10
5,000/ 7,000 " "	18
4,000/ 5,000 " "	9
3,000/ 4,000 " "	21
2,000/ 3,000 " "	11
1,000/ 2,000 " "	19
under 1,000 " "	368

Ship Building: The number of new large ocean-going ships completed by local shipbuilding yards was limited to the two 390-foot vessels ordered last year by The China Navigation Company. During the last quarter the keel of a third similar vessel was laid and orders for two more such vessels placed. In addition, an order for an inter-island trade refrigerated cargo vessel, for the Union Steamship Company of New Zealand, was received by the same shipyard. Local builders completed successfully in the open market against those in other Far East ports particularly in respect of a number of small specialized vessels for overseas buyers. These include 9 vessels completed during the year and ranging in size from 36-foot wood launches for an oil company's use in Sarawak to the medium sized trawler for South Korea; 14 small vessels now under construction, consisting of 5 yachts for export to the United States of America, 5 small coasters ranging from 108 to 190 feet in length for South Korea, 2 small cargo vessels for service on the coast of Malaya and 2 for Australia. Orders were placed by Australia, Korea and Indonesia for 5 more vessels at year-end. A large number of dumb barges for oil storage or carriage were also under construction for Burma and other overseas buyers. For use in the preparatory work for the extension of Kai Tak Airport, 9 tugboats and 11 barges were made by three different shipyards during the year. The cross-harbour ferry services were augmented by 5 diesel-motored vessels; 2 for the Star Ferry Company's Tsimshatsui-Hongkong run and 3 for the Hongkong and Yauamati Ferry Company's Kowloon-Hongkong services. A further 2 single-ended ferries were under construction at the end of the year for the latter company. The harbour refuelling services were augmented by 2 modern 129-foot

bunkering tankers; 2 more 99-foot bunkering vessels were under construction at the end of the year.

Government surveyors were actively engaged throughout the year, in addition to their statutory duties under the Merchant Shipping Ordinance, on the supervision of the construction of three 70-foot twin-screwed cruising launches for the Police Department, three of similar design for the Department of Commerce and Industry's Preventive Branch, two steel 35-foot despatch launches for use by the Post Office Department and a 47-foot surveying launch for the Port Works Office of the Public Works Department fitted with echo-sounding equipment. Construction of the hulls of all these vessels was well in hand by the second quarter of the financial year, but the delays in delivery of engines, shafting and other machinery delayed completion of these 9 launches until the first quarter of 1956.

Vessels completed during the year and now in service include the 111-foot buoy and lighthouse tender "Kenyalang," 2 46-foot general service wood launches and 3 aluminium 22½-foot speedboats all ordered by the Sarawak Government. Under construction at the end of the period, and in most cases awaiting the delivery of the propelling machinery, were a 72-foot shallow draught general service launch and a 130-foot combined waterboat and fire float for the Sarawak Government, a 105-foot cargo-passenger scheduled services twin-screwed vessel for the West Pacific High Commission and a 112-foot mail and passenger carrying vessel for the Brunei Government. Two other contracts were signed in the last quarter for the construction locally of a 116-foot stone and gravel carrier and 90-foot bow-ramp ship for vehicles and building plant, both for the Government of Sarawak.

Ship Repairing: A noticeable feature of the year was the additional amount of ship repairing undertaken upon vessels lying in the anchorages off Shamshuipo and Yauamati. The managements of some of the Colony's shipping companies made use of the many services offered by the smaller yards near these areas.

Ship Breaking: 27 vessels aggregating 77,506 gross tons were broken up during the year and 11 other vessels were being broken up on the 31st March, 1956.

VESSELS ENTERED AND CLEARED 1.4.55 TO 31.3.56

PART A. VESSELS ENTERED

Class and nationality of vessels	Number of Vessels	Tons Net	Passengers landed	Cargo landed Tons
Ocean going				
Foreign Trade				
British	1,661	3,621,238	9,549	1,246,844
American (USA)	250	1,869,770	2,455	113,051
Burmese	8	5,355	—	6,200
Cambodian	1	557	—	1,312
Chinese	152	50,707	2	61,605
Costa-Rica	1	477	—	980
Danish	203	681,865	605	235,981
Dutch	202	893,484	7,825	203,383
Finnish	2	5,944	—	Transit.
French	99	385,342	847	59,228
German	40	197,810	329	75,011
Greek	1	6,575	—	16,942
Indian	12	36,834	—	4,018
Indonesian	—	—	—	—
Italian	12	78,087	1,306	38,284
Japanese	321	1,053,823	68	295,516
Korean	10	8,469	—	14,005
Liberian	30	63,683	42	8,858
Norwegian	427	1,117,599	1,980	603,384
Pakistan	1	4,297	—	Transit.
Panamanian	129	241,434	39	287,690
Philippine	16	61,915	6	10,621
Portuguese	6	26,799	33	4
Swedish	88	271,967	68	129,837
Turkish	1	2,291	—	Transit.
Viet-Nam	1	448	—	588
Yugoslavian	11	17,789	12	13,336
	3,680	10,209,775	25,164	3,426,583

Class and nationality of vessels	Number of Vessels	Tons Net	Passengers landed	Cargo landed Tons
Ocean going (in ballast)				
British	156	533,034	3	—
American (USA)	1	191	—	—
Burmese	—	—	—	—
Cambodian	—	—	—	—
Chinese	7	3,132	—	—
Costa-Rica	—	—	—	—
Danish	13	17,325	4	—
Dutch	6	9,650	—	—
Finnish	3	10,339	—	—
French	17	13,739	—	—
German	—	—	—	—
Greek	—	—	—	—
Indian	—	—	—	—
Indonesian	1	4,888	—	—
Italian	—	—	—	—
Japanese	20	40,367	—	—
Korean	1	880	—	—
Liberian	—	—	—	—
Norwegian	10	20,390	—	—
Pakistan	5	22,379	—	—
Panamanian	16	19,617	2	—
Philippine	10	2,466	—	—
Portuguese	—	—	—	—
Swedish	5	21,266	1	—
Turkish	—	—	—	—
Viet-Nam	2	2,034	—	—
Yugoslavian	—	—	—	—

Total Ocean going 3,953 10,931,472 25,174 3,426,583

River Steamers				
British	1,069	1,212,396	587,430	12,379
	1,069	1,212,396	587,430	12,379

River Steamers (in ballast)				
British	67	80,484	33,632	—
Total River Steamers ..	1,136	1,292,880	621,062	12,379
Junks	10,469	1,007,123	—	737,628
Junks (in ballast)	307	32,269	—	—
Total Junks	10,776	1,039,392	—	737,628

Power-driven vessels 60 tons net and under ..	3,500	98,121	—	45,047
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Totals Foreign Trade				
1955/56	19,365	13,361,865	646,236	4,221,637
1954/55	15,909	12,904,305	387,247	3,844,985
Comparison	+ 3,456	+ 457,560	+ 258,989	+ 376,652

Internal Trade

Junks	12,901	663,951	585	610,230
Junks (in ballast)	3,408	106,579	2,311	—
Total Junks	16,309	770,530	2,896	610,230
Power-driven vessels 60 tons net and under	7,758	143,156	529,037	1,833

Totals Internal Trade				
1955/56	24,067	913,686	531,033	612,063
1954/55	24,166	799,520	503,023	572,072
Comparison	99	+ 114,166	+ 28,010	+ 39,991

Grand Totals Foreign and Internal Trade Entered				
Ocean-going	3,953	10,931,472	25,174	3,426,583
River Steamers	1,136	1,292,880	621,062	12,379
Junks	27,085	1,809,922	2,896	1,347,858
Power-driven vessels 60 tons net and under ..	11,258	241,277	529,037	46,880
1955/56	43,432	14,275,551	1,178,169	4,833,700
1954/55	40,975	13,703,825	890,270	4,417,057
Comparison	+ 3,357	+ 571,726	+ 287,899	+ 416,643

PART B. VESSELS CLEARED

Class and nationality of Vessels	Number of Vessels	Tons Net	Passengers Embarked	Emigrants Embarked	Cargo loaded Tons
Ocean going					
British	1,230	3,365,254	11,914	1,575	603,419
American (USA)	250	1,869,770	4,367	—	45,518
Burmese ...	1	2,845	—	—	1,000
Cambodian ..	1	557	—	—	800
Chinese	162	51,903	15	—	51,230
Costa-Rica ...	—	—	—	—	—
Danish	200	656,726	256	—	83,501
Dutch	197	866,146	5,083	3,174	136,574
Finnish	2	5,944	—	—	Transit.
French	99	376,063	1,279	—	34,897
German	40	197,810	556	—	22,550
Greek	—	—	—	—	—
Indian	12	36,834	—	—	6,500
Indonesian ..	—	—	—	—	—
Italian	10	65,855	1,837	—	1,635
Japanese	302	1,022,167	23	—	255,150
Korean	11	10,349	17	—	15,316
Liberian ...	30	63,683	8	—	17,989
Norwegian ..	407	1,036,501	2,275	1,077	210,109
Pakistan ..	1	4,297	—	—	Transit.
Panamanian ..	107	160,479	19	—	77,216
Philippine ..	15	57,432	13	—	6,290
Portuguese ..	6	26,799	8	—	1,751
Swedish	84	250,489	135	—	36,886
Turkish	1	2,291	—	—	Transit.
Viet-Nam ...	2	896	—	—	1,200
Yugoslavian ..	11	17,730	22	—	18,600
	3,180	9,648,870	27,827	5,826	1,628,181

Ocean going (in ballast)					
British	556	739,682	5	—	—
American (USA) ..	—	—	—	—	—
Burmese ..	2	5,690	—	—	—
Cambodian ..	—	—	—	—	—
Chinese	6	3,877	—	—	—
Costa-Rica ...	—	—	—	—	—
Danish	16	41,955	—	—	—
Dutch	11	36,632	—	—	—
Finnish	3	10,339	—	—	—
French	7	13,937	—	—	—
German ..	—	—	—	—	—
Greek	1	6,576	—	—	—
Indian	—	—	—	—	—
Indonesian ..	—	—	—	—	—
Italian	2	12,182	—	—	—
Japanese	42	80,830	—	—	—
Korean	1	42	—	—	—
Liberian ...	—	—	—	—	—
Norwegian ..	27	99,792	—	—	—
Pakistan ..	5	22,379	—	—	—
Panamanian ..	40	104,995	—	—	—
Philippine ..	9	5,597	—	—	—
Portuguese ..	—	—	—	—	—
Swedish ...	9	42,744	11	—	—
Turkish ...	—	—	—	—	—
Viet-Nam' ..	—	—	—	—	—
Yugoslavian ..	—	—	—	—	—

Total Ocean going .. 3,917 10,876,118 27,843 5,826 1,628,181

River Steamers					
British	1,062	1,197,848	580,987	—	18,291
	1,062	1,197,848	580,987	—	18,291
River Steamers (in ballast)					
British	74	95,032	51,852	—	—
Total River Steamers ..	1,136	1,292,880	632,839	—	18,291

Class and nationality of Vessels	Number of Vessels	Tons Net	Passengers Embarked	Emigrants Embarked	Cargo loaded Tons	Class and nationality of Vessels	Number of Vessels	Tons Net	Passengers Embarked	Emigrants Embarked	Cargo loaded Tons	
Junks	2,022	201,618	—	—	67,201	Totals Internal Trade	1955/56	24,238	913,528	519,800	—	96,238
Junks (in ballast) ...	8,766	844,629	—	—	—	1954/55	24,124	789,030	494,693	—	—	91,618
Total Junks ..	10,788	1,046,247	—	—	67,201	Comparison ..	+ 114	+124,498	+25,107	—	—	+ 4,620
Power-driven vessels 60 tons and under	3,493	97,261	—	—	7,202	Grand Totals	Foreign and Internal Trade Cleared					
Totals Foreign Trade						Ocean going ..	3,917	10,876,118	27,843	5,826	—	1,628,181
1955/56	19,334	13,312,506	660,682	5,826	1,720,875	River Steamers	1,136	1,292,880	632,839	—	—	18,291
1954/55	15,879	12,852,204	388,309	4,224	1,513,662	Junks	27,221	1,817,169	3,095	—	—	155,994
Comparison ..	+ 8,455	+460,302	+272,373	+1,602	+207,213	Power-driven vessels 60 tons net and under ..	11,298	239,867	516,705	—	—	14,647
						1955/56	43,572	14,226,034	1,180,482	5,826	—	1,817,113
						1954/55	40,003	10,641,234	885,002	4,224	—	1,605,280
						Comparison ..	+ 3,569	+584,800	+297,480	+1,602	—	+211,833

Internal Trade					
Junks	9,622	289,664	747	—	88,793
Junks (in ballast) ...	6,811	481,258	2,348	—	—
Total Junks ..	16,433	770,922	3,095	—	88,793
Power-driven vessels 60 tons net and under ..	7,805	142,606	516,705	—	7,445

PART C. SUMMARY						
YEAR 1st April 1955 to 31st March 1956		Number of all classes of vessels entered and cleared	Tons Net	Passengers landed and embarked	Emigrants Embarked	Cargo loaded and discharged Tons
1955/56	.....	87,004	28,501,585	2,358,651	5,826	6,650,813
1954/55	.....	80,078	27,345,059	1,773,272	4,224	6,022,337
Comparison	..	+ 6,926	+1,156,526	+585,379	+1,602	+628,476

FINANCE & COMMERCE

HONGKONG EXCHANGE MARKETS

U.S.\$				
Jan.	T.T. High	T.T. Low	Notes High	Notes Low
21	\$612¾	612	611¼	610
22	612½	611	610¾	608½
23	611	610	609	608
24	610¾	610	609¼	607¾
25	612½	611½	611¼	610¾
26	612½	612	611¾	609¾

D.D. rates: High 610¼ Low 607¾.

Trading totals: T.T. US\$2,890,000; Notes cash US\$550,000, forward US\$1,960,000; D.D. US\$680,000. The market was quiet and rates fluctuated within narrow limits. In the T.T. sector, offers from Japan, Korea, and the Philippines offered were absorbed by gold and general importers. In the Notes market, speculators were quiet because they have to square their positions before the Lunar New Year. Interest favoured sellers and aggregated HK\$3.95 per US\$1,000; positions taken by speculators averaged US\$1¼ million per day. In the D.D. sector, market continued active with the increased volume of inward remittance from overseas Chinese.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.7475—1.72, Japan 0.0148—0.0145, Malaya 1.882, Vietnam 0.05884—0.05714, Laos 0.06,

Cambodia 0.08, Thailand 0.2857—0.281. Sales: Pesos 435,000, Yen 156 million, Malayan \$370,000, Vietnam Piastre 10 million, Laos Piastre 5 million, Cambodia Piastre 6 million, and Baht 2 million.

Agreed Merchant T.T. rates: Selling and buying per foreign currency unit in HK\$: England 16.202—15.867, Australia 13.016—12.757, New Zealand 16.202—16.10, United States 5.818—5.735, Canada 6.0606—5.9701, India 1.216—1.205, Pakistan 1.218—1.204, Ceylon 1.219—1.207, Burma 1.216—1.205, Malaya 1.8868—1.8692. Selling per foreign currency unit in HK\$: South Africa 16.236, Switzerland 1.3278, Belgium 0.11655, West Germany 1.3829.

Chinese Exchange: People's Bank yuan notes remained at HK\$1.66—1.56 per yuan. Taiwan Bank Dollar notes at HK\$165—163 per thousand, and remittance at 156—154.

Bank Notes: Highest and lowest rates per foreign currency unit in HK\$: England 16.14—16.08, Scotland and Ireland 14.00, Australia 12.67—12.64, New Zealand 14.66—14.55, Egypt 10.00, East Africa 15.10—15.00, West Africa 13.50, South Africa 16.00, Jamaica 13.50, Fiji 10.00, India 1.1775—1.1725, Pakistan 0.885—0.88, Ceylon 0.98—0.97, Burma 0.55, Malaya 1.843—1.841, Canada 6.32—6.29, Cuba 5.00, Argentine 0.17, Brazil 0.07,

Philippines 1.8375—1.82, Switzerland 1.40, West Germany 1.38, Italy 0.0091, Belgium 0.11, Sweden 1.00, Norway 0.07, Denmark 0.77, Netherlands 1.48, France 0.01505—0.0148, Vietnam 0.066—0.063, Laos 0.0615—0.06, Cambodia 0.081—0.0795, North Borneo 1.60, Indonesia 0.187—0.178, Thailand 0.277—0.275, Macau 0.995, Japan 0.0153—0.0151.

Gold Market			
Jan.	High .945	Low .945	Macau .99
21	\$268¾	267¾	278¾ High
22	267¾	266¾	
23	267¾	266¾	
24	267¾	266¾	Low 277
25	268	267¾	
26	267¾	266¾	

The opening and closing prices were 268½ and 266½, and the highest and lowest 268½ and 266½. The market was quiet but easy on account of heavier arrivals and large stock. Interest for changeover favoured sellers and aggregated HK\$1.10 per 10 taels of .945 fine. Tradings averaged 7,000 taels per day and amounted to 42,000 taels for the week, in which 10,750 taels were cash dealings (1,650 taels listed and 9,100 taels arranged). Imports came from Macau and amounted to 16,000 taels. One shipment of 36,800 fine ounces arrived in Macau. Exports totalled 9,500 taels (5,500 taels to Singapore, 2,500 taels to Indonesia, and 1,500 taels to Rangoon). Differences paid for local and Macau .99

fine were HK\$13.80—13.00 and 13.00—12.00 respectively per tael of .945 fine. Cross rates were US\$37.72—37.70 and 16,000 fine ounces were contracted at 37.70 cif Macau. US double eagle old and new coins firm at HK\$283—281 and 262—260 respectively per coin, English Sovereigns at HK\$59—58 per coin, and Mexican gold coins at 288—286 per coin.

Silver Market: The market was very quiet with 400 taels of Bar silver traded at HK\$5.95 per tael; 800 dollar coins at HK\$3.85—3.83 per coin. Twenty-cent coins quoted HK\$2.95 per 5 coins.

HONGKONG SHARE MARKET

Trading remained restrictive last week. There were small scale liquidations but prices were prevented from sharp drops by speculative absorption. Interests were particularly keen in Utilities, Dairy Farms, Cements, Wheelocks, Lands, Hotels, Docks and Providents were also popular with prices fluctuating between narrow limits. Wharves registered only buying offers which rose from 92 to 94 but there was still no selling response. Banks lost another \$15 while Union Insurances moved between 950 and 955 with only 8 shares changing hands during the week. Investment Companies, Rubbers and Cottons were quiet. The sentiment at week-end was optimistic because trading would pick up after the Lunar New Year Holidays.

Monday: Trading continued on a moderate scale with the turnover amounting to \$670,000. Prices were virtually unchanged. **Tuesday:** The market registered only a few minor fluctuations. The turnover amounted to \$550,000. **Wednesday:** The market was dull and price changes were

SINGAPORE SHARE MARKET

January 12-18, 1957

In spite of the short week, occasioned by the Thaipusam Holiday on Wednesday, there was a large turn-over in the Industrial section at quotations, fresh gains were recorded in Hongkong & Shanghai Banks, which were taken @ £95½ c.d. and £94½ c.d. on the London Register and @ \$890.00 c.d. on the Colonial Register. Malayan Cement and McAlister were also firmer with sales at \$1.70 and \$2.95 respectively. Singapore Traction Ordinary were inquired for at 21/6, whilst Straits Steamship came to business @ \$16.25. Straits Trader had numerous transactions up to \$27.25 and Wilkinson Process @ \$1.70.

The substantial advance in the prices of a large number of Tin shares reflects the confidence in Mining prospects for 1957. On advice that the Aokam dredge had started at last on its voyage to Bhuket in West Thailand, the price of the shares advanced to \$1.85, but profit-taking caused the price to react to \$1.80, with sellers over at the close. Austral Malay improved to 45/9 buyers, Ayer Hitam to 25/-, Berjuntai to 25/9

cci. and Gopeng Consolidated to 14/-ccr. Hongkong Tin put on 2/3 @ 7/9 bid, and Johan hardened to \$1.80 c.d. business done. Kampong Lanjut advanced 1/- to 40/6 buyers, and Lingui Tin to sales @ \$2.90. Kamunting offered at 11/- after transactions at 10/7½ and 10/9. Malayan Tin were taken @ 15/1½ and 15/3, closing @ 15/- - 15/3. Meru Tin after touching 3/4, declined sharply to 2/10½, whilst Pahang were dealt in at 13/6 and Pungah from 9/6 to 10/14. On the announcement that there would be no final dividend, Petaling which had risen from \$3.45 to \$3.50 receded to \$3.40, business done. Rahman Hydraulic rose to 87 cents buyers, and Rantau were taken in quantity from \$1.75 to \$1.82½. Renong Tin 1/- better with inquiries @ 10/9 xcr, Southern Kinta @ 16/6 and Sungei Besi were firm with sales @ 12/10½ to 13/-. Sungei Way after dealings between \$1.46½ and \$1.48, closed a shade easier @ \$1.42—\$1.47. Takuapa after sales @ 16/6 to 16/7½ closed in demand at the former price and Talam were inquired for @ \$2.65 after transactions 5 cents lower. Tanjong Tin hardened to 23/- buyers, and Tongkah Harbour changed hands @ 11/9 and 12/-.

Rubber shares showed little change whilst local Loans were steady at quotations.

negligible. The turnover amounted to \$408,000. **Thursday:** The market ruled steady with virtually no change in prices. The turnover amounted to \$730,000. **Friday:** Signs of some fresh enquiry in the market led to a slight improvement in the volume of business with prices generally firmer. The turnover amounted to \$1 million.

The Secretaries for Yangtze Finance announced that at the close of business on January 24, 1957, the shares had a statistical value of \$7.75.

Share	Jan. 18	Highest	Last Week's Rate		Up & Down
			Lowest	Closing	
HK Bank	1630	1630	1615	1615	—\$15
Union Ins.	950 b	955	950	957.50 n	steady
Wheelock	7.20	XD 6.85	XD 6.75	XD 6.80	steady
HK Wharf	92 b	94 b	93 b	94 b	+82
HK Dock	49.50	50	49.75	49.75	+25¢
Provident	13.60 s	13.30	13.20	13.20	—40¢
Land	62	62	61.50	62	steady
Realty	1.325 b	1.35	1.325 b	1.325 b	steady
Hotel	15	15.10	14.90	15.10	+10¢
Tram	23.40 s	23.30	23.20	23.20	—20¢
Star Ferry	143	144	143	144	+\$1
Yaumati	104	103	102	103	—\$1
Light	23.30	23.30	23.10	23.30	steady
Electric	31.25	31.50	31	31.50	+25¢
Telephone (o)	24.60	24.40	24.30	24.40	—20¢
Telephone (n)	23.50	23.50	23.30	23.40	—10¢
Cement	38.75	39 s	38.50 b	38.75	steady
Dairy Farm	15.30	15.60	15.30	15.60	+30¢
Watson	13.80	14	13.70 b	13.80 b	steady
Yangtze	6 n	6 n	5.75	5.75	steady
Allied Invest.	4.85 n	4.85 n	4.85 n	4.85 n	steady
HK & FE Invest.	9.80 n	9.70	9.70 b	9.70 b	steady
Amal. Rubber	1.625	1.525 s	1.50	1.525 s	steady
Textile	4.40 n	4.45	4.325 b	4.45 s	steady
Nanyang	7.20	7.60	7.30	7.70 n	+50¢

HONGKONG AND FAR EASTERN TRADE REPORTS

Demand from Korea, UK, Europe and Japan remained strong but selective in the local commodity market last week; transactions in many cases restricted by low buying offers and short stocks. SE Asia slowed down purchases from here with the approach of the Lunar New Year but cargo movements were still very active between HK and SE Asian ports. There were no orders from China. Towards week-end the local commodity market was very quiet because traders will be busy with stock-taking this week before the 30th, the last day of the Year of Monkey. Trading will resume next week after shops here have ushered in all the good luck for the Year of Rooster with fire-crackers and greeted each other "Kung-Hei-Fat-Choy".

Freight Rates: Beginning February 1, charges for cargoes from here to Taiwan will be increased by 10%. HK-Europe (including shipments to UK) freight rates will be advanced by 19% for some cargoes as from March 1. On May 1, rates for cargoes from here to US and Canada will be 15% higher.

Trade with China: Local firms which have connections in China were busy with the marketing of Chinese foodstuffs and light industrial products; no orders reached here last week from Canton in spite of the low selling offers in the market for items such as round bars, steel plate and galvanized iron pipe. Imports last week included large consignments of food and wine for transhipment to Burma; stationery, beans and sundry provisions to Singapore and Malaya; walnut meat to Canada; newsprint, woodfree printing, bicycle parts and window glass to India; and industrial chemicals to Thailand. Supply of live hogs and fresh eggs failed to improve. From Pakistan, China recently bought one million rupees worth of dyestuffs and chemicals when the Chairman of Pakistan National Import-Export Corporation visited Canton. Two Greek businessmen bought £400,000 worth of Chinese cotton piecegoods, newsprint and other paper, ladies' handbags, safety matches, rosin and turpentine during their recent visit to Peking; in return, they got orders from Peking for the equivalent value of raw cotton and other agricultural products. Last year, China bartered for 500 tons of Greek tobacco leaves with sewing machines and toys. To Egypt, China sent the second consignment of frozen beef and mutton totalling 1,100 tons. The meat was prepared in Inner Mongolia. The trade protocol signed between China and North Korea in Pyongyang last week stipulated that in 1957, China would supply North Korea with unspecified volume of grain, cotton cloth, coal, rolled steel and raw materials for the chemical industry in exchange for Korean iron ore, tool steel, non-ferrous

metals, cement and other products. China has not yet started her 1957 programme of political trade in SE Asia; in the meantime consignments of foodstuffs and odd items to HK will remain substantial enabling Peking to accumulate more HK dollars which can be freely converted here into Sterling Pounds or US Dollars.

Trade with Japan: In the local China produce market, Japan remained interested in beans and various other items. Transactions however were restricted by short stocks in many cases. Booking of new supplies from Japan slowed down because money was tight among local dealers on account of the approaching Chinese New Year. Cargo movements between HK and Japan were still very busy last week: over 1,800 tons of fertilizers, vegetables and fruits, chinaware, woollen piece goods, bean oil, cotton textiles, rayon products, toys, sundries and fresh eggs reached here; exports totalled about 3,000 tons consisting chiefly of scrap iron, sesame, beans, rattan, cassia, woodoil, cow hide, yarn waste, seashell, coir fibre, silk waste, bone meal, steel bars and camphorwood chests. About 5,000 tons of iron ore will be shipped to Japan this week.

Trade with UK and Europe: Imports from UK and Europe remained heavy; principal items were metals, automobiles, dairy products, cotton and woollen textiles, dyestuffs, fertilizers, plate glass, paper, industrial chemicals, medical supplies, wines and provisions. Exports of HK products were slower because factories here were preparing for stock-taking. Among European countries, Germany and France are now very active in promoting trade with HK. The well-known German firm Carlowitz & Co. Ltd. recently introduced the first German brand of cigarette to HK. Following the lead of German manufacturers, French merchants are offering various kinds of equipment and machinery to HK including the newly developed miniature television camera which weighs only 17 pounds. It is entirely independent and operates on batteries. Local businessmen are also invited by French firms to visit the various international fairs to be held in France during 1957.

Trade with US: The local garment industry is enjoying growing demand from US for shirts, tailor-made suits, ladies dress and other wearing apparel. Orders from US for woollen gloves this month have already exceeded 100,000 dozen pairs. HK cotton cloth, too, attracted orders from US. Imports from US last week totalled about 1,200 tons consisting chiefly of tin and black plate, rayon and cotton textiles, machinery and equipment, air conditioning units, photo supplies, pharmaceuticals, paper, fruits and canned food. Prices for American goods in local stores did not

come down in spite of the fact that rates for US dollars had declined from recent hikes.

Trade with Canada: Imports of wheat flour, paper, aluminum ingot, dyestuffs, plastic moulding powder, auto parts and canned food totalled about 1,000 tons last week. Exports of HK products to Canada remained insignificant.

Trade with Indonesia: Exports registered slight improvements but there were still more enquiries than orders from Djakarta. Transactions covered mostly Japanese rayon and fibre yarn, Chinese cloth, HK cloth and yarn. Djakarta urged Indonesian exporters to sell more staples and petroleum products to HK because last year Indonesia had a large deficit in her trade with HK. Rubber factories there wanted Djakarta to prohibit imports of bicycle tyres and other rubber products to protect the domestic industry; there were no comments from authorities there. On the revision of import duties, Djakarta announced that imports from "friendly" countries would be charged duties much lower than those from "unfriendly" nations.

Trade with Thailand: Cargo movements between HK and Bangkok were still very active but purchases from here slowed down. In spite of the recent increase in shipments to Thailand, export of HK products showed no significant improvement because orders were mostly for Chinese and Japanese products.

Trade with Korea: More enquiries reached here from Seoul for pharmaceuticals, chemicals, woollen yarn, paper and metals but only a few transactions were concluded because buying offers were low and, in some cases, there were not enough spot goods. Seoul also invited tenders for the supply of fertilizers, dyestuffs, cement, fine chemicals, machinery and equipment, rubber, raw sugar, etc. The official rate for US dollar in Korea is still maintained at 500 Hwan to US\$1. However, on the black market US\$1 is now about 1,150 Hwan.

Trade with Taiwan: Taipei decided to ban exports of strategic materials to countries having political and trade relations with Peking. The ban will be imposed in the near future and would affect HK, Singapore and Malaya, Indonesia, Burma, UK, Egypt and possibly Japan. Exports of food, fodders, clothing articles and certain other categories of goods will require Govt. approval. On the other hand, Taipei was planning to export paper to Korea, Thailand and other SE Asian countries. Paper mills there were contemplating to ship newsprints to HK but no offer reached here last week. Since last Xmas, Taiwan sugar has been enjoying a very strong demand in the local market but last week there were no new offers from Taipei; dealers here anticipated further indent increases. In ad-

dition to sugar, Taiwan sent here tea, ginger, citronella oil, camphor products, fruits and canned food. From here, Taiwan bought limited quantities of dyestuffs, chemicals, herb medicines, canned milk, and galvanized iron pipe.

Trade with Malaya: With the Lunar New Year only one week ahead, dealers here rushed the last batch of foodstuffs, sugar, wheat flour, joss paper and stick, canned goods and sundry provisions to Singapore and other Malayan ports.

Trade with the Philippines: Manila offered 5,000 tons of sugar at HK\$48 per picul to barter for HK products. The transaction was still under negotiation at week-end because dealers here counter-offered \$46.50 for sugar. Exports from here to the Philippines were still limited to small quantities of HK manufactures shipped there under 1956 barter licences. In Taipei last week, Philippine and Chinese financiers decided that the use of HK as a port for transshipment had blocked development of trade between Taiwan and the Philippines and predicted that direct shipment between the two countries would boost the present US\$4 million Taiwan-Philippine trade.

Trade with Cambodia, Laos and Vietnam: Cargo movements between HK and these states were slower but dealers here were expecting more orders from these sources after the New Year Holidays.

Trade with India and Pakistan: Imports from these two countries consisted chiefly of cotton and yarn. From HK, India bought torch, cassia and realgar. Pakistan made no purchases from here last week.

Trade with Burma: Shipments of old newspaper to Burma were substantial but exports of other items slowed down. Dealers here were optimistic in trade with Burma because Rangoon would probably procure part of her imports financed with US aid funds from the local market. Enquiries reached here however covered chiefly Chinese and Japanese goods; demand for HK manufactures was very selective.

Trade with North Borneo: 2,000 tons of timber, firewood and rubber reached here from North Borneo last week. From here Borneo bought cement and other construction materials.

Trade with Middle East: About 1,000 tons of HK products consisting chiefly of enamelware, hurricane lanterns, torch, plastic products, cotton textiles, rayon goods and sugar were shipped to Aden and other Middle East ports.

China Produce: Supply of beans and oilseeds from China and SE Asia improved but with the exception of soya beans, other items were still not ample

enough to satisfy the strong demand from Japan which also covered rice bran, wheat bran, bee wax, castor oil and turpentine. Europe was interested in aniseed star, citronella oil, turpentine, menthol crystal, egg products and feather while UK was particularly keen in goat hair; trading in spot goods was limited by short stock and dealers negotiated forward direct shipments from China of items such as Mongolian goat hair at 55d per lb c & f Europe and salted liquid hen egg yolk at £370 per ton fob North China ports to Europe. Purchases by SE Asian countries were slower and covered only small quantities of camphor tablets, rosin, raw silk, garlic and dried chilli. Groundnut kernel enjoyed increased local consumption while rosin and wood-oil were absorbed by local paint factories.

Metals: With the exceptions of Taiwan's demand for galvanized iron pipe and Korea's purchase of blackplate, export of metals was quiet while large quantities of mild steel round bars and other items continued to arrive from Europe, UK and US. Selling pressure at the beginning of last week depressed prices for round bars while galvanized iron sheet and mild steel plate cuttings declined slightly from recent hikes because offers were again available from Japan and UK respectively. Other quotations remained high on account of the bullish world market and the pending increases in freight charges along various lines. Towards last week-end the market was very firm because liquidation of round bars had ceased while flat bars, galvanized iron pipe, mild steel plate cutting, scrap iron registered speculative buying.

Paper: European indents for wood-free printing, kraft, tissue, manifold, bond, grease proof, glassine and duplex board advanced further last week but local prices failed to catch up with the rise because offers from Korea were very low. Indents from Japan for kraft, m.g. cap, and duplex board were also marked up. Trading slowed down and the market registered only orders from Korea for limited quantities of woodfree, m.g. pure and white sulphite, manifold, cellophane, glassine, aluminum foil and duplex board; and local demand for newsprint in reams, m.g. cap, cellophane and straw board.

Industrial Chemicals: Korea was interested in sulphur powder, soda ash, glycerine, caustic soda, urea, sulphuric acid and ammonium chloride; Taiwan in sodium bichromate and formalin; and local factories in lithopone and sodium hydrosulphite. Trading however was limited by short stocks and low buying offers. Dealers here approached China for supplies of soda ash, sodium bicarbonate, sodium sulphide, caustic soda because indents from Europe were high and delivery dates remote but towards week-end China, too, increased prices for these items.

Pharmaceuticals: Speculative absorption prevented penicillin oil injections and saccharine crystal from further drops caused by liquidation; prices however failed to improve because speculators with ready cash kept offers at low levels. Korea bought some sulfanilamide, glucose powder and phenacetin while local medicine manufacturers took small quantities of sulfadiazine, caffeine alkaloid, saccharum lactose and vitamin powders. The market was otherwise very quiet.

Cotton Yarn: HK yarn remained firm on steady exports and demand from local weaving mills. Indents for Pakistan products advanced but prices here failed to improve on account of heavy stock and expected arrivals; quotations later improved when speculators started buying.

Cotton Piece Goods: Transactions in HK cloth were limited to forward deliveries because there were no spot goods; UK and Indonesia were principal buyers. Japanese grey sheeting and white poplin retained strong local demand while Chinese drill firmed on orders from Indonesia.

Rice: Imports from Bangkok remained heavy but prices steady on firm Bangkok quotations. Chinese rice enjoyed steady demand and prices were firm on limited supply.

Wheat Flour: Trading showed no improvement but prices for local products and most imported brands were kept firm by increased production and replenishment costs; Canadian brands declined slightly under heavy stock. Exports to Korea will be affected to a small extent by Taipei's offer to sell surplus flour to Seoul at US\$105 per ton fob Taiwan ports.

Sugar: Firm international sugar quotations and the suspension of offers from Taiwan stimulated prices here for sugar of all origins. Speculative buying absorbed available supplies of Taiwan products which at the beginning of this month had been depressed by heavy arrivals.

Cement: Supply from Japan and China remained restrictive while local production, even at its maximum capacity, was far from sufficient to meet the demand from local contractors and SE Asia. As a result, Chinese products were firm at \$119 per ton and Japanese cement advanced to \$122 per ton on the spot market. North Borneo booked Chinese cement at \$115 per ton forward but the quantity involved was small because dealers here failed to get large consignments from Canton. Indent for Japanese cement increased to \$121 per ton March shipment. Green Island products were very firm: Emerald at \$7.20 for 112-lb bag and \$6.30 for 100-lb bag; Emeraldcrete at \$8.20 per

112-lb bag; Snowcrete at \$73 per 375-drum and \$16.50 per 1-cwt bag.

Sundry Provisions: The market registered chiefly local demand for various popular items but prices began to decline because supplies were abundant while export demand slowed down.

Gunny Bags: More supplies arrived from India; prices remained firm because Thailand and North Vietnam continued to procure this item from here.

Towel: Chinese cotton towel at prices between \$3.90 and \$6 per dozen retained strong demand from Singapore, Thailand and Burma.

Window Glass: African markets continued to buy Chinese window glass of lower grades from the local market. Dealers here limited imports from Japan and Europe to higher quality window and plate glass.

Fresh Eggs: Hen eggs from Japan were marketed at the wholesale price of \$53 per case of 29 lb. Chinese eggs were still short in supply and wholesale price for medium sized hen eggs was about \$162 per 1,000 pcs. Retail price eased slightly to \$1 for 4 eggs. Local demand was very strong on account of the Chinese New Year holidays this week.

Preserved Ducks & Sausages: Local demand for these two items was very strong; prices advanced in spite of heavy arrivals from China and Vietnam.

HONGKONG COMPANY INCORPORATIONS

The following new private companies were incorporated in Hongkong during the fortnight ended December 29, 1956:—

Chip Hwa Shipping & Trading Company, Limited—Nominal Capital, HK\$500,000; Registered Office, 42 Bonham Strand West, Hongkong; Subscribers—Lau Kiat Bin, 108 Blue Pool Road, Hongkong, Merchant; Ng Lay Wha, 108 Blue Pool Road, Hongkong, Merchant.

Jebshun Shipping Company, Limited—Nominal Capital, HK\$500,000; Registered Office, 68 Bonham Strand West, Hongkong; Subscribers—Lam Choon Cheong, 94 Blue Pool Road, Hongkong, Merchant; Lam Kam Kwan, 17 Cooper Road, Hongkong, Merchant; Choy Yong Yee, 40 Bonham Road, Hongkong, Merchant.

Hongkong United Investments, Limited—Import and export; Nominal Capital, HK\$500,000; Registered Office, 68 Bonham Strand West, Hongkong; Subscribers—Lam Choon Cheong, 94 Blue Pool Road, Hongkong, Merchant; Lam Kam Kwan, 17 Cooper Road, Hongkong, Merchant; Choy Yong Yee, 40 Bonham Road, Hongkong, Merchant.

Yee Cheong Company Limited—Importers and exporters, etc.; Nominal Capital, HK\$66,000; Registered Office, 1 Wing Wo Street, Hongkong; Subscribers—Lam Chan Sui, 27 Canal Road West, Hongkong, Merchant; Chan Seng Yee, 2 Marble Road, Hongkong, Merchant.

Ace Slide Fasteners Limited—Nominal Capital, HK\$500,000; Subscribers—Chan Chiong Chieng, 19 Sui Lin Street, Kowloon, Merchant; Chong Hong Ian, 68 Wharf Road, Hongkong, Married Woman.

Union Star Company Limited—Exporters and importers; Nominal Capital, HK\$1 million; Registered Office, 29A Wyndham Street, Hong-

kong; Subscribers—Hsu Fai Sing, 69B Robinson Road, Hongkong, Merchant; Handin Zee, 1B Bonham Road, Hongkong, Merchant.

Khong Guan Biscuit and Confectionery Manufacturing Company Limited—Nominal Capital, HK\$1 million; Registered Office, 5D Ice House Street, Hongkong; Subscribers—Chang Ming Thien, 70A Macdonnell Road, Hongkong, Merchant; Chew Choo Keng, 70B Macdonnell Road, Hongkong, Merchant.

The Shiu Wing Company Limited—To deal in real estate; Nominal Capital, HK\$2.5 million; Subscribers—R. E. Low, 2 Queen's Road Central, Hongkong, Solicitor; Marshall G. Laing, 2 Queen's Road Central, Hongkong, Solicitor.

Robert and Hawk Company, Limited—Importers and exporters; Nominal Capital, HK\$200,000; Registered Office, 501, Oi Kwan Building, Des Voeux Road Central, Hongkong; Subscribers—Chan Sze Sum, 44 Macdonnell Road, Hongkong, Merchant; Chan Kin Chiu, 223 Wing Lok Street West, Hongkong, Merchant; Felise S. K. Ng, 33 King's Road, Hongkong, Merchant.

Kum Hing Land Investment Company, Limited—Nominal Capital, HK\$2 million; Registered Office, 9 Wing Kut Street, Hongkong; Subscribers—J. W. Borl, 9 Wing Kut Street, Hongkong, Merchant; Cheung Wai Sun, 9 Wing Kut Street, Hongkong, Merchant.

H. W. Turning & Company Limited—Importers and exporters; Nominal Capital, HK\$1 million; Registered Office, 108 Hongkong Hotel Building, Hongkong; Subscribers—Arnold Hall, 7 Somerset Road, Kowloon, Merchant; Kai-Sien Wu, 28 Flying Dragon Terrace, Hongkong, Merchant.

HONGKONG'S TRADE FOR DECEMBER AND FOR THE YEAR 1956

Reviewing HK's trade for 1956, the Director of Commerce and Industry stated that total value of imports and exports at \$7,775.8 million increased by 24.4 per cent compared with that for 1955. Cargo tonnage also rose from 5,896,367 tons in 1955 to 6,653,088 tons in 1956.

Imports increased by 22.8 per cent to a total of \$4,566.2 m. China remained the principal supplier and Japan the next; imports from these two countries rose by 15.7 per cent and 54.1 per cent respectively. Considerable increases were also registered in imports from the United Kingdom, the

United States and Pakistan, but imports from India fell by 39.1 per cent.

Total exports, including re-exports, were valued at \$3,209.6 m, an increase of 26.7 per cent. Marked increases in exports were recorded for Indonesia, Japan, Thailand and UK. However, exports to China declined by 25.1 per cent, and to South Korea by 34.9 per cent. An encouraging feature last year was the further improvement in the export of Hongkong products to \$782.6 m representing an increase of 7.2 per cent over the preceding year. 24.4 per cent of

the total exports in 1956 were of local products. The following figures illustrate the trend in exports of Hongkong products for the past 3 years:

	1954 HK\$	1955 HK\$	1956 HK\$
January	53,692,991	55,520,827	66,437,701
February	47,695,663	55,746,108	61,196,008
March	64,614,879	61,586,838	71,223,930
April	57,821,223	54,424,205	72,486,603
May	63,673,029	59,828,499	73,067,924
June	53,546,626	56,898,741	60,984,759
July	59,150,276	58,888,585	60,463,867
August	57,580,365	67,123,882	63,257,507
September	56,168,844	66,557,071	61,106,510
October	54,243,029	61,959,801	57,740,447
November	60,095,338	65,058,015	63,682,284
December	53,596,718	66,725,987	70,945,334
Total ...	681,878,981	730,318,559	782,592,874

An analysis of the trade figures for 1956 and 1955 shows the following important changes:—

Trade with the United Kingdom: The rise in imports of \$72.3 m was due largely to heavier purchases of base metals, machinery, manufactures of metals and textile yarns and piece goods. The principal commodities responsible for the increase of \$47.3 m in exports were Hongkong manufactured clothing and cotton piece goods.

Trade with Malaya: There was a slight increase in imports from Malaya (\$0.8 m), but exports dropped by \$2.6 m; the main HK manufactures affected were textile yarns and piece goods.

Imports from India dropped by \$32.7 m, due mainly to reduced imports of textile fibres, animal and vegetable oils, and textile yarns and piece goods.

Imports from Pakistan: The principal commodities responsible for the rise in imports of \$44.1 m were textile yarns, piece goods, cereals and cereal preparations. Imports of textile fibre however fell by \$5.2 m. Exports remained at about the level of the previous year.

Trade with China: The value of imports from China rose by 15.7 per cent to a total of \$1,038.3 m, the highest post-war figure. Imports showing large increases were textile yarns, piece goods, non-metallic mineral manufactures, animal and vegetable oils, cereals, inedible animal and vegetable crude materials. Imports of live animals, chiefly for food, declined by \$27.1 m. The drop in exports of \$45.6 m was mainly attributable to reduced purchases of dyestuffs, chemicals and fertilizers.

Trade with Japan increased both ways. Imports increased by \$284.6 m; over 50 per cent of which was accounted for by textile yarns and piece goods alone. There were also increases in imports of base metals and non-electrical machinery, but imports of sugar fell by \$10.5 m. Exports to Japan were up by \$171.7 m, the main items concerned being textile fibres, ores and metal scrap, mineral fuels and related materials, cereals and base metals.

Exports to Thailand rose by 78.5 per cent to a total of \$319.6 m. The principal items affected were textile yarns, piece goods, base metals and manufactures of metals. There was a slight decrease in the value of imports.

Trade with Indonesia: Both imports and exports were higher. The rise in imports of \$30.0 m was due mainly to heavy arrivals of mineral fuel shipments. The principal items responsible for the increase in exports of \$308.0 m were textile yarns, piece goods, clothing, base metals and non-electrical machinery.

Cambodia, Laos and Vietnam: Imports from these states increased by \$40.6 m, principal items concerned being mineral fuels and related materials and cereals. Exports also registered an increase of \$13.1 m.

Trade with South Korea: The decline of \$67.0 million in exports was caused mainly by reduced purchases of textile yarns, piece goods, paper and paper manufactures. An increase of \$1.8 m was registered in the value of imports.

Trade with U.S.A.: There was an overall increase of \$127.7 m, with imports up by \$99.0 m and exports by \$28.7 m. Imports showing large increases were textile fibres and pharmaceuticals. Exports of clothing increased by \$10.5 m.

Other Countries: The increase in imports of \$37.5 m from Brazil was almost entirely due to larger purchases of raw cotton. Imports from Western Germany dropped by \$9.4 m, mainly as a result of reduced purchases of dyestuffs. However, imports of machinery from this country increased by \$8 m, and base metals by \$4.4 m. Imports of watches and movements from Switzerland amounted to a total value of \$113.9 m in 1956, an increase of 54.2 per cent over that for the preceding year.

Trade in December, 1956: The total value of trade for December 1956, was \$685.3 m, an increase of \$89.6 m compared with that for the corresponding month in 1955. Imports at \$388.6 m exceeded those for December 1955 by \$38.7 m, while exports at \$296.7 m were higher by \$50.9 m than the value for December 1955. There was a significant drop in imports from UK and Europe in December, which is largely due to the closure of the Suez Canal and the re-routing of ships round the Cape. Among the more interesting items shipped through Hongkong on Through Bills of Lading were 99 kgs. of tungsten wire from Sweden to China, 671 lbs. of bearings from Yokohama to Macau, 5,683 kilos of copper tubes from Germany to Macau, and one ton of mica from India to China. Exports of Hongkong products during December were \$70.9 m, an increase of 6.3 per cent over the same month last year. The figure for December 1956 amounted to 23.9 per cent of the total value of exports. A comparison of the totals for the years 1955 and 1956 showed an increase in 1956 of \$52.3 m or 7.2 per cent. An analysis of the figures for the two years indicates certain significant changes. UK increased purchases by 16.3 per cent over the previous year and was again the best customer of HK products. Indonesia replaced Malaya in the second position; exports to this country rose by 39.6 per cent. Malaya reduced purchases by 14.1 per cent, and dropped to third place. A large reduction was also recorded in exports to Thailand, but exports to British West Africa increased by 36.3 per cent. Principal manufactures were cotton piece goods, cotton yarns, footwear, enamelware, cotton singlets, shirts and electric torches.

Certificates of Origin: Government certificates of Hongkong origin, imperial preference certificates and various types of comprehensive certificates of origin issued during December numbered 16,670 and covered goods to the declared value of HK\$61,898,466. During 1956 the value of goods covered by certificates amounted to the following:—Certificates of Origin—HK\$478,882,333; Imperial Preference Certificates—HK\$141,967,066; and Comprehensive Certificates of Origin—HK\$64,787,704; Total: HK\$685,637,103. Figures for the past 5 years are listed below:

	Imperial Preference Certificates	Certificates of Origin	Comprehensive Certificates of Origin	Comprehensive Origin (Tourist, Gift, and Sample)	Total
1952	18,676	29,139	—	—	47,815
1953	33,882	42,411	4,526	3,686	84,505
1954	47,079	66,997	10,275	11,188	135,539
1955	63,969	99,619	13,174	22,047	198,809
1956	68,903	109,064	17,112	33,623	228,702

Number of Factories: Before 1954, no figures were available for the number of factories registered for certificates of origin and imperial preference purposes, but at the end of 1954 there were 1,998 factories registered with Government; the corresponding figures for December 1955 and 1956 were 2,330 and 2,940. In addition, 660 factories out of the total of 2,940 are also registered for Comprehensive Certificate purposes.

Company Registration: At the end of December 1956, a total of 71,255 applications had been registered, of which 23,932 had been subsequently cancelled, leaving a balance of 47,323 registrations in force. Altogether 4,954 certificates were issued during December in respect of renewals or new registrations.

IMPORTS, BY COUNTRIES

Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$	Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$
Merchandise							
Africa, Central (British)	345,787	4,263,999	1,429,267	Germany (Western)	8,401,753	118,982,636	128,351,816
Africa, East (British)	4,253,655	55,620,548	44,825,848	India	3,539,333	51,029,928	83,764,840
Africa, South	4,292,692	32,008,004	26,279,252	Indonesia	7,286,929	58,875,228	28,922,533
African Countries, Other	71,328	1,864,691	6,695,603	Italy	779,934	40,479,653	30,309,624
America, Central	9,200	2,143,277	13,532,448	Japan	64,039,193	810,602,788	525,994,315
America, South (excluding Argentina and Brazil)	—	1,070,237	741,050	Korea, South ..	417,346	12,152,369	10,303,471
Argentina	15,750	2,176,201	4,288,228	Macao	3,594,975	40,158,754	53,707,975
Asian Countries, Central	—	7,100	1,155,390	Malaya	9,840,456	152,260,931	151,429,690
Australia	11,666,528	100,274,169	81,530,636	Middle East Countries	2,096,248	51,917,525	25,466,708
Austria	618,999	16,265,293	13,952,804	Netherlands	3,983,221	77,866,515	64,240,036
Belgium	8,273,751	109,298,679	97,744,721	New Zealand ..	16,653	2,385,749	1,763,156
Borneo, North	3,227,077	39,861,306	40,612,164	Norway	396,926	4,694,879	6,042,592
Brazil	1,040,647	54,751,817	17,224,576	Oceania, British States	50,715	6,750,677	1,293,032
British Commonwealth, Other	31,365	871,948	449,103	Oceania, n.e.s.	1,810	317,405	1,074,116
Burma	2,311,434	35,482,718	34,852,371	Pakistan	32,350	576,049	171,755
Cambodia, Laos & Vietnam ..	8,470,799	69,512,631	28,910,761	Philippines	3,779,027	98,049,901	53,945,164
Canada	3,550,284	46,335,227	46,237,353	Sweden	1,740,867	34,653,063	8,206,258
Ceylon	501,377	4,108,446	4,855,697	Switzerland	573,047	18,831,503	20,283,695
China	106,255,841	1,038,314,454	897,646,396	Thailand	13,986,865	131,650,766	99,984,164
Denmark	395,918	5,855,646	5,975,931	Turkey	14,876,967	185,362,677	185,878,109
Egypt	—	6,086,347	2,119,268	United Kingdom ..	36,706,326	513,333,600	441,036,467
Europe, Eastern	1,252,238	12,971,366	11,308,593	U.S.A.	47,635,381	423,806,512	324,855,713
European Countries, Other ..	437,327	4,952,837	5,114,792	U.S.S.R.	—	2,840,216	2,869,629
Finland	518,436	2,815,374	3,777,012	West Indies, British	—	194,546	233,445
Formosa	4,977,519	50,516,946	40,315,696	Total Merchandise ..	388,638,196	4,566,195,131	3,718,917,584
France	2,343,922	27,915,129	30,911,871	Total gold and specie ..	35,713,295	490,429,651	396,288,307
				Grand Total	424,351,491	5,056,624,782	4,115,205,891

EXPORTS, BY COUNTRIES

Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$	Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$
Merchandise							
Africa, Central (British)	1,284,269	14,284,919	16,571,988	Brazil	57,467	466,976	156,004
Africa, East (British)	3,475,162	33,473,415	36,830,857	British Commonwealth, Other ..	1,418,604	21,979,590	25,851,636
Africa, South ..	3,418,118	29,463,147	23,921,130	Burma	7,433,832	31,635,415	25,199,362
Africa, West (British)	4,938,135	63,944,200	53,783,755	Cambodia, Laos & Vietnam ..	9,958,170	138,665,918	125,610,742
African Countries, Other	5,291,989	57,098,741	55,885,620	Canada	2,029,136	29,291,189	28,913,905
America, Central	3,291,966	31,259,716	21,465,651	Ceylon	948,249	14,830,888	13,297,243
America, South (excluding Argentina and Brazil) ..	2,137,580	22,665,702	18,935,312	China	17,215,349	135,971,366	181,560,144
Argentina	58,710	511,064	320,725	Denmark	322,108	5,056,090	5,924,221
Asian Countries, Central	302,250	3,351,286	1,452,724	Egypt	—	2,128,372	3,183,347
Australia	3,110,935	55,018,664	53,429,959	European Countries, Other ..	167,314	2,085,717	1,823,955
Austria	—	54,078	54,195	Finland	3,461	735,998	29,596
Belgium	1,170,876	11,601,158	9,994,338	Formosa	4,880,728	47,482,890	37,402,084
Borneo, North	4,693,595	48,774,595	29,498,268	France	1,442,994	21,170,075	18,970,125
				Germany (Western)	1,919,330	36,605,759	33,480,170
				India	1,703,481	21,520,912	20,946,700
				Indonesia	42,198,841	501,428,419	193,388,155
				Italy	394,389	9,082,122	6,851,947
				Japan	41,292,548	317,964,070	146,255,523

Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$	Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$
Korea, South ..	8,186,904	125,182,160	192,203,333	Switzerland	213,909	3,577,269	3,954,953
Macao	5,971,156	57,706,599	57,370,030	Thailand	21,620,303	319,639,045	179,108,555
Malaya	38,752,113	372,774,225	375,365,533	Turkey	—	83,508	715,597
Middle and East Countries	2,747,247	33,531,706	27,856,055	United Kingdom ..	27,875,741	298,371,070	251,109,796
Netherlands	1,500,111	23,809,098	20,226,446	U.S.A.	12,031,457	116,570,563	87,869,362
New Zealand ..	681,698	15,179,193	15,199,623	West Indies, British	1,495,236	20,034,539	19,283,249
Norway	237,331	5,999,162	4,023,069	Total Mer- chandise ..	296,653,358	3,209,614,428	2,533,993,946
Oceania, British States	252,545	6,945,759	5,768,343	Total gold and specie	32,768,058	513,592,356	380,336,910
Oceania, n.e.s.	3,330,455	31,924,116	30,580,307	Grand Total	329,421,416	3,723,206,784	2,914,330,856
Pakistan	658,374	10,292,864	8,548,923				
Philippines	404,513	5,311,345	5,019,271				
Sweden	3,649,533	47,034,157	53,098,802				
	485,146	6,045,599	5,703,318				

IMPORTS, BY DIVISIONS

Division	December, 1956 HK\$	Jan./Dec., 1956 HK\$	Jan./Dec., 1955 HK\$
Live animals	14,848,113	162,933,476	184,517,014
Meat and meat preparations	6,973,039	45,012,792	30,895,487
Dairy products	4,815,393	84,264,354	78,256,799
Fish and fish preparations	8,850,379	84,586,858	74,757,379
Cereals	20,485,700	275,473,830	250,687,009
Fruits and vegetables	22,205,729	200,137,101	200,307,438
Sugar and sugar preparations	5,167,783	83,073,790	66,906,718
Coffee, tea, cocoa and spices	7,026,068	52,944,210	57,217,309
Feeding stuffs for animals	772,982	8,597,976	3,235,290
Miscellaneous food preparations	2,422,563	31,749,150	24,600,151
Beverages	1,714,220	26,999,888	24,808,659
Tobacco and tobacco manufactures	5,149,271	59,089,165	55,116,816
Hides, skins and furs (undressed)	1,011,997	14,572,518	10,536,239
Oil seeds and oil nuts	2,917,936	40,273,181	50,703,250
Crude rubber, including synthetic	1,532,523	20,877,491	22,686,814
Wood, lumber and cork	6,917,515	69,290,974	65,382,633
Pulp and waste paper	440,086	3,016,341	3,768,477
Textile fibres and waste	31,489,160	316,040,588	227,347,488
Crude fertilizers and minerals	726,188	8,437,816	9,247,359
Ores and metal scrap	1,292,151	15,022,323	10,471,651
Animal and vegetable crude materials	15,023,826	176,728,252	154,382,578
Mineral fuels	17,464,090	207,876,868	134,316,623
Animal and vegetable oils	4,939,069	78,313,253	58,961,483
Chemicals and compounds	3,463,345	41,779,078	52,094,265
Mineral tar and crude chemicals	338,632	1,630,940	321,330
Dyeing, tanning and colouring materials	2,781,521	39,534,278	83,308,773
Medicinal and pharmaceutical products	7,609,770	58,278,026	47,440,482
Perfumes and cleansing preparations	3,918,213	45,870,098	43,284,204
Fertilizers, manufactured	137,258	36,965,094	55,953,750
Explosives and chemicals	3,797,465	56,307,284	45,563,522
Leather, leather goods and dressed furs	1,734,925	20,451,936	18,466,533
Rubber manufactures	974,523	17,796,088	9,878,198
Wood and cork manufactures	780,425	10,833,961	10,664,040
Paper, paperboard and manufactures	10,648,908	117,525,973	122,298,781
Textile yarn, fabrics and made-up articles	72,790,644	921,520,440	664,248,174
Non-metallic mineral manufactures	6,920,528	91,439,039	64,164,918
Silver, platinum, gems and jewellery	10,925,401	98,748,376	73,254,428
Base metals	23,807,987	264,976,676	121,591,214
Manufactures of metals	3,732,601	59,809,776	44,274,426
Machinery other than electric	7,195,176	121,968,751	82,453,802
Electric machinery and appliances	6,045,533	82,380,292	56,772,558
Transport equipment	3,514,679	81,278,452	72,088,068
Prefabricated buildings; plumbing, heating & lighting fittings	805,640	13,643,107	10,041,506
Furniture and fixtures	285,167	3,655,671	3,090,308
Travel goods	234,714	2,443,036	2,091,831
Clothing	4,150,911	43,110,958	33,510,954
Footwear	256,148	4,100,678	2,986,356
Scientific instruments; photographic and optical goods; watches and clocks	17,975,346	165,152,384	115,570,398

Division	December, 1956 HK\$	Jan./Dec., 1956 HK\$	Jan./Dec., 1955 HK\$
Miscellaneous manufactured articles	9,296,372	99,105,042	84,020,014
Live animals, not for food	330,583	577,502	374,087
Total Merchandise	388,638,196	4,566,195,131	3,718,917,584
Total gold and specie	35,713,295	490,429,651	396,288,307
Grand Total	424,351,491	5,056,624,782	4,115,205,891

EXPORTS, BY DIVISIONS

Division	December, 1956 HK\$	Jan./Dec., 1956 HK\$	Jan./Dec., 1955 HK\$
Live animals	222,830	502,310	375,239
Meat and meat preparations	1,414,702	9,163,519	9,536,161
Dairy products	1,187,661	16,335,597	12,584,262
Fish and fish preparations	3,134,186	26,592,926	21,901,288
Cereals	5,744,933	54,400,362	38,465,709
Fruits and vegetables	13,686,179	117,736,655	120,257,680
Sugar and sugar preparations	8,767,416	47,009,041	37,556,025
Coffee, tea, cocoa and spices	3,028,672	28,366,145	32,992,102
Feeding stuffs for animals	120,075	2,608,117	1,703,898
Miscellaneous food preparations	2,955,307	32,038,308	28,064,152
Beverages	998,477	12,259,725	10,573,069
Tobacco and tobacco manufactures	1,028,029	8,115,181	7,974,133
Hides, skins and furs (undressed)	1,611,178	16,508,691	8,962,640
Oil seeds and oil nuts	1,065,717	39,197,914	35,519,230
Crude rubber, including synthetic	120,982	487,992	156,803
Wood, lumber and cork	792,062	8,572,930	7,715,237
Pulp and waste paper	327,349	1,921,766	3,087,685
Textile fibres and waste	16,370,945	101,227,461	41,533,581
Crude fertilizers and minerals	246,998	4,221,218	4,467,281
Ores and metal scrap	8,645,058	67,479,329	32,713,069
Animal and vegetable crude materials	9,473,504	143,474,526	136,855,960
Mineral fuels	4,744,915	28,874,196	3,415,574
Animal and vegetable oils	1,876,763	35,315,252	25,420,041
Chemicals and compounds	1,981,092	15,528,850	27,669,672
Mineral tar and crude chemicals	346,330	1,043,416	19,927
Dyeing, tanning and colouring materials	4,249,104	51,628,490	78,126,769
Medicinal and pharmaceutical products	5,059,256	52,607,877	53,404,492
Perfumes and cleansing preparations	2,541,688	26,004,164	29,604,511
Fertilizers, manufactured	505,370	37,233,042	55,768,590
Explosives and chemicals	808,826	18,633,941	18,472,208
Leather, leather goods and dressed furs	167,248	2,588,749	2,484,299
Rubber manufactures	438,605	10,655,393	4,195,103
Wood and cork manufactures	286,835	3,940,932	3,890,588
Paper, paperboard and manufactures	5,237,037	71,365,541	67,666,998
Textile yarn, fabrics and made-up articles	79,377,839	834,958,953	607,496,900
Non-metallic mineral manufactures	2,751,538	50,965,044	32,063,666
Silver, platinum, gems and jewellery	2,720,377	33,416,167	30,293,068
Base metals	15,737,074	121,344,630	24,818,114
Manufactures of metals	12,147,315	135,409,812	104,161,070
Machinery other than electric	2,847,315	49,969,634	34,384,592
Electric machinery and appliances	2,492,614	36,947,745	27,389,935
Transport equipment	1,979,595	32,738,611	17,758,387
Prefabricated buildings; plumbing, heating & lighting fittings	5,854,795	78,432,277	70,157,905
Furniture and fixtures	2,808,927	33,469,529	31,400,516
Travel goods	1,162,359	17,339,342	13,763,545
Clothing	30,075,296	399,308,827	330,139,846
Footwear	7,973,044	83,719,918	81,795,806
Scientific instruments; photographic and optical goods; watches and clocks	3,988,610	42,573,709	30,200,236
Miscellaneous manufactured articles	15,509,982	164,810,988	134,666,587
Live animals, not for food	41,349	569,696	369,797
Total Merchandise	296,653,358	3,209,614,428	2,533,993,946
Total gold and specie	32,768,058	513,592,356	380,336,910
Grand Total	329,421,416	3,723,206,784	2,914,330,856

HONGKONG PRODUCTS

EXPORTS, BY COUNTRIES

Country	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$
Africa, Central (British)	438,742	5,482,576	7,386,972
Africa, East (British)	2,163,425	19,854,268	21,748,316
Africa, South	2,644,071	18,932,458	14,861,829
Africa, West (British)	3,499,412	44,382,207	32,569,690
African Countries, Other	3,093,994	31,210,312	26,994,660
America, Central	1,302,824	12,760,410	10,019,749
America, South (ex- cluding Argentina and Brazil)	1,241,504	11,828,566	10,809,349
Argentina	—	4,187	76,586
Asian Countries, Cen- tral	289,473	2,185,454	383,466
Australia	1,178,333	19,331,899	17,679,173
Austria	—	408	1,800
Belgium	256,949	1,894,058	1,662,078
Borneo, North	1,053,893	12,194,546	9,060,078
Brazil	—	14,622	—
British Common- wealth, Other	664,246	10,564,556	11,895,417
Burma	4,221,787	6,581,381	11,974,358
Cambodia, Laos & Vietnam	2,548,954	25,132,135	32,291,483
Canada	420,585	6,627,656	10,219,889
Ceylon	356,604	4,336,447	5,504,401
China	1,064,917	4,492,309	42,084
Denmark	93,730	1,579,084	1,203,514
Egypt	—	277,439	507,774
European Countries, Other	38,510	519,725	413,365
Formosa	77,425	1,450,633	664,716
France	99,979	660,206	906,596
Germany (Western)	179,122	2,334,824	1,468,423
India	687,053	6,578,871	7,195,590
Indonesia	7,954,013	126,023,744	90,286,550
Italy	38,638	646,961	658,633
Japan	758,028	9,227,923	5,813,349
Korea, South	120,770	4,778,869	11,756,676
Macao	498,029	4,770,459	6,222,215
Malaya	7,984,499	88,110,591	102,624,203
Middle and Near East Countries	703,524	11,402,230	9,662,257
Netherlands	186,718	3,066,509	1,772,105
New Zealand	285,432	5,468,908	6,363,086
Norway	28,451	514,335	401,124
Oceania, British	79,932	2,685,823	2,517,808
Oceania, United States	481,144	3,399,025	3,057,068
Oceania, n.e.s.	176,703	3,386,957	3,521,302
Pakistan	150,944	1,696,602	2,271,474
Philippines	2,074,186	24,749,252	18,826,939
Sweden	94,634	1,556,408	1,784,446
Switzerland	48,412	302,303	364,428
Thailand	4,137,771	48,045,389	60,961,310
Turkey	—	3,252	37,164
United Kingdom	15,012,850	162,237,778	139,493,657
U.S.A.	1,847,871	20,457,311	15,023,471
West Indies, British	667,253	8,851,008	9,357,938
Total	70,945,334	782,592,874	730,318,559

EXPORTS, BY COMMODITIES

Commodity	December, 1956 HK\$	Jan./Dec. 1956 HK\$	Jan./Dec. 1955 HK\$
Fish in airtight con- tainers	208,245	2,248,013	1,603,329
Fruits, preserved	1,330,926	15,578,001	13,468,399
Jams and fruit jellies	—	1,233	12,391
Fruit juices, unfer- mented	7,666	476,139	192,112
Non-alcoholic bever- ages	18,278	869,662	742,803
Beer	11,740	38,150	11,592
Cigarettes	97,391	1,039,517	683,256
Iron ore	311,543	4,694,943	4,449,423
Tungsten ore	—	133,463	198,175
Seagrass	4,042	85,866	145,637
Lacquer and var- nish	249,370	3,050,852	2,495,927
Paint, enamel and mastic	980,834	11,816,966	9,881,450
Cotton yarn	10,127,954	97,587,880	100,327,802
Cotton piece goods	19,757,514	173,307,143	182,145,715
Towel, not embroi- dered	1,264,580	14,350,794	13,171,650
Linen, embroidered	1,061,085	10,736,233	8,536,322
Cement	298,181	7,924,713	6,349,141
Iron and steel bars	1,684,790	14,643,115	8,406,557
Household utensils, enamelled	6,529,006	76,176,404	56,442,570
Household utensils, aluminium	557,606	8,240,844	9,763,995
Torch batteries	571,696	8,744,393	10,618,917
Torch bulbs	410,866	5,968,109	5,850,537
Electric torches	3,895,222	49,394,345	49,412,156
Lanterns, metal	1,226,037	17,191,297	13,141,467
Cotton singlets	3,936,052	75,453,657	58,943,861
Underwear and nightwear, embroi- dered	257,106	3,180,839	2,636,002
Shirts	6,318,127	71,550,966	65,708,141
Outerwear, embroi- dered	452,351	7,146,449	7,027,801
Articles of clothing (handkerchiefs, shawls, etc.), em- broidered, n.e.s.	500,970	6,182,865	3,798,779
Footwear	7,480,072	76,742,270	76,188,609
Matches	54,185	856,986	2,304,526
Plastic articles	741,524	9,693,554	7,880,851
Vacuum flasks, com- plete	600,375	7,487,213	7,778,666
Total	70,945,334	782,592,874	730,318,559